



**MACKAY CONSOLIDATED
INDUSTRIES PTY. LTD.,
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Productivity Commission Review

Mackay Consolidated Industries Pty Limited fully supports the FAPM Submission to the Productivity Commission Review of Post 2005 Assistance Arrangements for the Australian Automotive Industry.

Background Information:

Mackay Consolidated Industries is a 100% Australian family owned manufacturer and distributor of a broad range of rubber and rubber-to-metal products for automotive, trucking, rail, defence, mining, marine and industrial users. The original company, Mackay Spares Pty Ltd, was founded in 1932 and produced replacement parts for the automotive trade, and has been supplying Original Equipment automotive parts in volume to Australian car manufacturers since 1948.

Current Situation:

Mackay Consolidated Industries employs over 200 people at its 4 ha (10 acre) site in Moorabbin, Victoria. We have offices in most States of Australia, a sales office in Chicago, USA, and agents in several other countries.

Mackay Consolidated Industries is the only wholly Australian owned manufacturer of shaped hoses for car radiator, heater, fuel and ventilation applications, and also makes straight hoses for heater, fuel and emission control.

Mackay Consolidated Industries is also a major manufacturer of engine mounts, suspension strut mounts, suspension bushes and mass dampers for the passenger automotive industry as well as heavy-duty suspension bushes and torque rods for the trucking industry.

Mackay Consolidated Industries operates a highly skilled R& D Department utilising ANSYS FEA modeling and Unigraphics II CAD systems together with a well staffed and equipped NATA Approved laboratory to support its

developmental program by evaluating and introducing new polymer, chemical and processing technologies.

The Company holds the following accreditations:

ISO 9001
QS 9000
Ford Q1
ISO 14001
Initial level SafetyMap

Whilst Mackay Consolidated Industries has a technical consultancy agreement with a major European Automotive Hose manufacturer, the ongoing maintenance of our in-house R&D program is absolutely vital to the success / survival of this Australian business. Our ability to provide engineered solutions to meet our customers requirements in a timely and cost effective manner has been instrumental in the success of the business, and it would not be overstating the importance of this strategy by suggesting that the business may not be here today if it was not for this ongoing R&D commitment.

Additionally, the maintenance of our NATA approved laboratory has facilitated in-house evaluation and introduction of new technologies.

In this respect, the importance of ACIS to Mackay Consolidated Industries has been crucial in recent project development, providing essential funds to enable a high level of technical competence to be dedicated to a number of automotive projects which will result in the localisation of several currently imported components within the next few months. Without the ACIS contribution it is unlikely we would have been able to fund the degree of R&D in both component and process technology required to fulfill the requirements of these automotive customers. Having done so, we are now in the happy position of being able to offer some additional employment opportunities in the coming months as these projects progress to full production.

It is also important to acknowledge the importance and value to Mackay Consolidated Industries of Government export initiatives such as Austrade and the Export Market Development Grant scheme. Both of these Government initiatives have assisted Mackay Consolidated Industries in the establishment of significant export business.

David Lyon
Managing Director/CEO
Mackay Consolidated Industries Pty Limited