

Comment by

Robert Bosch (Australia) Pty. Ltd.

On

**Productivity Commission's
Review of Automotive Assistance
Position Paper - June 2002**

25 July 2002

Robert Bosch (Australia) Pty. Ltd. (RBAU) wishes to submit the following views on some of the issues raised in the Productivity Commission's Position Paper June 2002 in relation to the Review of Automotive Assistance:

1. The preferred time profile, quantum of funding and basis for delivery of ACIS benefits beyond 2005.

1.1 Time profile: 2006-2010.

Rationale:

- The Australian industry cannot afford to slacken the pace of introduction of new technology and improvement in competitiveness. Consolidating the gains already made and positioning the industry for continued growth will necessitate continued expenditure in research and development, investment in plant and equipment to support new products and improvement in processes for the remainder of this decade.

1.2 Quantum of funding: Continue current total funding, ie, approximately \$2.8 billion over the five year period 2006-2010.

Rationale:

- The Australian industry is still "catching up" with global competitors in technology terms. Repeat of current funding levels for the second half of this critical decade will help underpin the investments needed to bridge the technology gaps.

1.3 Delivery of benefits: Minimal change to the current scheme.

Rationale:

- ACIS is achieving its intended purpose.
- The rules and regulations are now well understood by the industry.
- Major changes to the scheme's design may introduce distortions.

2. Tariff:

Maintain the tariff rate at 10% beyond 2005, until evidence exists of reciprocal tariff reductions by other APEC member countries.

3. Industrial Relations:

RBAU endorses the Commission's view that making ACIS support conditional on the achievement of particular workplace targets or improvements would be unworkable.

RBAU sees merit in the recent initiatives proposed jointly by AI Group, FCAI and FAPM, seeking to introduce legislative amendments that would allow a cooling-off period and earlier suspension of strike action that is damaging a party not directly involved in a dispute.

However, RBAU believes that improvement in workplace relations will result from achieving a greater coincidence of interests between all the parties involved in workplace negotiations.

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