

Media Release**Auto product manufacturer investment boosted by government assistance**

Melbourne, 21 January – Australia's automotive component manufacturer peak body has welcomed the Federal Government's announcement that over \$15 million will be invested in the industry.

Ten Australian automotive component manufacturers have had investments boosted by government grants – ranging from \$101,691 to \$1 million from round three of the Automotive Diversification Programme (ADP) – to help diversify before local mass car making ends in 2017.

Minister for Industry, Innovation and Science, Christopher Pyne, said the \$4,797,383 in government support was part of a total \$15.1 million in investment.

The Victorian Automobile Chamber of Commerce (VACC) – which incorporates the Federation of Automotive Products Manufacturers (FAPM) – says most of this money is industry investment, not government handouts.

“The government's \$4.8 million grant has been more than matched by the successful applicants collectively investing over \$10 million from their own funds,” VACC Executive Director, Geoff Gwilym, said.

“I want to make this very clear: this is not a government free kick. All successful grant applicants are making significant investments in Australian manufacturing.

“This funding will assist Australian companies build new lines of business in local and international markets, leveraging the considerable competencies they have developed in the technically demanding and cost-competitive automotive supply sector,” Mr Gwilym said.

Mr Gwilym recommended that the Federal Government boost the amount of available funding to component manufacturers and accelerate the evaluation and decision process by opening the ADP for individual company submissions, without the need for batching.

“VACC encourages Minister Pyne to increase funds for component manufacturers seeking to diversify into new opportunities as the end of mass vehicle manufacturing draws closer,” Mr Gwilym said.

Of the 10 successful grant applicants four each are from South Australia and Victoria, the two states that will be hardest hit by the closures of Ford, Holden and Toyota.

Four of the successful applicants were FAPM members, whose innovative programs include:

- Robert Bosch – Development and installation of a high precision assembly line to produce high-efficiency diodes for export (\$1 million grant/\$5,209,000 company investment)
- Multislide Industries – Introduction of product forming capabilities enabling local designers to produce high-end furniture efficiently and at practical volumes (\$259,100 grant/\$259,100 company investment)
- Backwell IXL – Equipment to manufacture components for new-generation widescreen gas log heaters (\$345,000 grant/\$361,500 company investment)
- ZF Lemforder – Production of pneumatically operated side-tipping option for large transportation machines in the mining, construction and agriculture industries (\$603,500 grant/\$1,294,864 company investment)

FAPM was incorporated into VACC in June 2015.

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