

10 February 2014**ANNOUNCEMENT SETS THE END DATE FOR AUSTRALIA'S AUTO
MANUFACTURING INDUSTRY**

Toyota Australia's decision to cease manufacturing in 2017 will likely mean the complete demise of the Australian automotive industry if radical new thinking is not undertaken by all industry stakeholders.

"The decision by Toyota Australia to cease manufacturing in Australia in 2017 is a very dark day for Australia," said Chief Executive Richard Reilly.

"Traditional automotive manufacturing will go completely. Our industry is devastated."

The Federation of Automotive Products Manufacturers (FAPM) estimates up to 33,000 jobs in the automotive supply chain will be affected by today's announcement as Toyota's decision, following on from Ford and GM-Holden in 2013, will effectively see the death of an entire industry. This will mean the loss of thousands of jobs in engineering, design, prototyping, R&D and assembly.

The FAPM appreciates the decision was not based on any single factor but a combination of domestic and international pressures including an unfavourable Australian dollar, low volume, unfair free-trade-agreements, an open and fragmented market and unequal investment competition from other national governments around the world.

The FAPM had been working with its members, vehicle manufacturers, all levels of government and other stakeholders on new opportunities for the industry and a long-term sustainable manufacturing sector.

"We may now not have time enough to transition" said National President Jim Griffin.

"Our industry has the skills and know-how to be competitive but we need time and assistance to re-shape our businesses, to get new customers and diversify into new markets."

The FAPM will be working with its members over the coming days to assess the impact of the announcement. It is expected that the supply chain will experience widespread job losses leading up to 2017 unless it can successfully diversify into non-automotive industries.

The FAPM believes that radical new ways of approaching manufacturing in Australia are needed which requires substantial, well targeted government support and stakeholder buy-in.

"A lot of our members won't make it," concluded Mr Reilly.

"Our only hope now is to diversify, export or attract new models of doing business. There are still some good companies out there with innovative businesses and world class technologies. We must have a strategy to save as many as possible."

Richard Reilly is available for interview on (03) 9863 2400 / 0414 292 470