

05 May 2006
TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
ASSISTANCE TO FORD AUSTRALIA ANNOUNCEMENT

E&OE...

Thank you very much Mr Daniel, Mr Premier, Mr Ian Macfarlane, John Brumby, ladies and gentlemen.

Can I say that it is very important at a time when there is so much media and public focus on the contribution made by the mining industry and the resource sector to the Australian economy, that we take every opportunity at a Government level of reaffirm the importance of the manufacturing industry to the future employment prospects of Australians and also the future economic development and growth of this country.

Manufacturing has always been at the heart of the Australian economic experience, and it must remain at the heart of our economic experience and our economic outlook.

I do not believe in an Australia with a steadily diminishing contribution from manufacturing industry to the nation's future and the nation's wealth. And its that context that has influenced the decisions that I'm about to announce on behalf of the Federal Government.

And can I say that the announcements I make have been developed in very close discussion and collaboration with Ford Australia and with the Victorian Government. And I want to thank the Premier, I want to thank my own Minister Ian Macfarlane and the Victorian Minister John Brumby. It's important on issues of this kind that affect the livelihoods of Australians all over the country that people, particularly the Government level, work together.

The public of Australia want governments to work together to deliver good solutions for their future and that is what we have endeavoured to do. And its part of our long term commitment to manufacturing industry in Australia that we secure an efficient, globally competitive and technologically advanced motor manufacturing industry. And the Ford Motor Company, as has already been said, has been an important contributor for about 80 years to Australian manufacturing industry. And the operations of Ford Australia are especially important to the Victorian economy and to the people of Victoria. Ford has a total workforce of more than 6,000 and thousands more are dependent on a healthy and a very strong, vibrant Ford Australia for their financial security.

I therefore announce that the Commonwealth Government will make available to Ford Australia \$52.5 million of financial assistance which will allow Ford Australia to undertake two very exciting new projects which have been alluded to. Firstly, the E8 Project, which will involve the design, engineering and manufacture of the next generation Falcon and Territory vehicles in Geelong and Broadmeadows and \$12.5 million for the design and engineering in Victoria of a light commercial vehicle architecture that will have a variety of body styles and configurations with the truck to be manufactured overseas and marketed in more than 80 countries under the Ford Motor Company brands.

I noted the reference made a moment ago to the importance of the Indian market. It's relevant to remind ourselves that by the year 2015, for the first time since the Industrial

Revolution, the centre of gravity of the world's middle class will have shifted from Europe and North America to Asia. The populations of China and India together will be supplying some 400 to 800 million consumers at a middle class level of consuming capacity. And this represents an historic shift in the economic dynamic of the world and it's of tremendous importance and also opens up enormous opportunities for Australia. I mean the opportunities that this opens up to a clever, technologically proficient manufacturing industry in Australia is absolutely unlimited, and that's very much one of the reasons why we are enthusiastic about our involvement in the project and are to provide support.

The Government will provide an immediate grant of \$32.5 million consisting of \$12.5 million for the T6 Design and Development Project and \$20 million for the E8 Falcon Replacement Project. And a further grant of \$20 million will be made in 2012 for the E8 Project. These Projects themselves will create approximately 273 new jobs and will reinforce Ford's manufacturing operations in Australia. Significantly, the R&D centre that Ford Australia will construct to support the T6 Project will represent a critical step in positioning Ford Australia for the global market. These projects will allow Ford Australia to become a leading centre for automotive design and engineering in our region and will build on the success that Australia has already demonstrated in this field.

In concluding, can I say that the Ford Motor Company, through its leadership and with the cooperation of a dedicated, professional workforce, has made an enormous contribution to the economy of Victoria and has made an enormous contribution to manufacturing industry in Australia.

We continue to welcome that contribution and what I've announced today on behalf of the Commonwealth Government I hope is an earnest not only of our desire to see a continuation of Ford's involvement in the economy of Australia but our ongoing commitment to the crucial importance of manufacturing industry to the economic future of our nation.

Thank you.
[ends]