

Victoria's Future Industries Transport Technologies Discussion Paper

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Transport Technologies Discussion Paper

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Transport Equipment Manufacturing in Victoria

Executive Summary

This discussion paper seeks feedback from the transport equipment manufacturing sector on the opportunities and challenges it faces, and what actions the Victorian Government and the industry can take to keep the sector as a vibrant contributor to our state's economy.

Companies in Victoria make trains, trams, planes, buses, trucks and trailers, cars and recreational vehicles including caravans and boats, either as OEMs (Original Equipment Manufacturers) or as suppliers of components, and automotive aftermarket parts, accessories, workshop tools and equipment.

Victoria's transport equipment manufacturing industry has built its expertise over the past century following sustained growth throughout the post-war decades. However, the changing global economic climate has placed the industry under significant pressure. The immediate future is dominated by the closure of GM Holden's, Toyota Australia's and Ford Australia's local manufacturing. This will result in job losses and flow-on effects into the supply chain. Victoria's Automotive Transition Strategy is designed to ease the transition and repurpose skills and other assets wherever possible.

Now, Victoria's transport equipment manufacturing industry must evolve to prosper or face decline. There is much at stake. The transport-equipment manufacturing sector represents around 9.5 per cent of Victoria's manufacturing workforce and provides employment for about 25,000 Victorian workers.

To achieve the full growth potential of the sector there are a number of identified opportunities and challenges:

1. Think scale
2. Collaborate, innovate, diversify
3. Harness the know-how
4. Harmonise standards and regulation
5. Skill up
6. State procurement as a catalyst

Now's the time to add your voice to the discussion. The Victorian Government wants to hear from industry participants and other interested parties about what needs to be done to set the conditions for the sector to grow.

Your feedback will help inform the development of a Victorian Government strategy for the transport equipment manufacturing sector.

Purpose

The purpose of this discussion paper is to help inform the development of a strategy for the Transport Equipment Manufacturing sector. The Department of Economic Development, Jobs, Transport and Resources (DEDJTR) is seeking input from stakeholders about opportunities and challenges and how government can best collaborate with industry, unions, academics and others to support future growth and development of this priority sector.

Your feedback will help us to identify critical issues impacting on industry growth and job creation and where future effort should be best directed. A number of questions are proposed throughout the paper to serve as prompts for your feedback and ideas, and are summarised over the page.

Submissions can be made via the website
www.business.vic.gov.au/futureindustries
by ... September 2015.

Submissions may be made publicly available unless otherwise marked "Confidential".

Scope

Included in the scope of this discussion paper are manufacturing, engineering, design, and technical services affecting transport industry segments, such as:

- Trucks and trailers
- Buses
- Rail vehicles (trains and trams)
- Recreational vehicles including caravans and boats
- Specialty vehicles
- Automotive aftermarket manufacturing
- Aerospace components.

The following areas are excluded from the scope of this discussion paper:

- Victoria's car-making industry
- Defence vehicles
- Transport, Distribution and Logistics (TDL) activities
- Shipbuilding

Victoria's passenger car industry is, nonetheless, an important segment of transport technology, and this paper addresses it where appropriate. However, more detail is contained in the comprehensive *Automotive Transition Plan*.

Questions for your consideration

- 1: How can Victorian businesses best access new sales channels and emerging markets?
- 2: What is the transport equipment manufacturing sector's unique selling proposition in international markets?
- 3: Where are the opportunities for Victorian firms to partner with overseas companies to take advantage of their greater scale and technology?
- 4: Are there better supply-chain models that the industry can use to improve its capabilities?
- 5: What assistance would you need to take advantage of global trends and what role should the Victorian Government play?
- 6: How can we effectively build networks and foster relationships to support innovation and business growth in the sector, and what role should government play?
- 7: How can Victorian transport equipment manufacturers capitalise on the State's strong research base?
- 8: How can Victoria's transport manufacturers incorporate innovative manufacturing technologies into their businesses?
- 9: Is protecting IP a priority for your enterprise or do you need to learn more about the process?
- 10: What mechanisms are required to enable the transfer of knowledge and skills from the carmakers to increase capability in the transport equipment manufacturing sector?
- 11: How could Victoria capitalise on its existing infrastructure, facilities and highly skilled workforce to grow opportunities in transport equipment manufacturing?
- 12: Could local CEOs be international advocates for Victoria's local transport equipment manufacturing sector?
- 13: In what areas can governments work together to harmonise national standards and resolve technical barriers to trade?
- 14: What are the most important regulatory and reform priorities for your business?
- 15: Where are the specific skills and training gaps and how best can we build, attract and retain the right skills in the transport equipment manufacturing sector?
- 16: How can government procurement be better used to encourage the development of local industry capabilities?
- 17: How can greater intensification of manufacturing be best enabled in Victoria?
- 18: What is your vision of success for the transport equipment manufacturing sector?

