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MEDIA RELEASE

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Razor gang threatened Ford

Reports of the Federal Government's decision to axe a \$20 million grant promised to Ford Australia by the former Howard Government failed to draw a response from the Brumby Government.

Member for Western Victoria, David Koch, said in State Parliament yesterday that the Premier should have got behind Ford Australia and demanded the Rudd Government meet guaranteed commitments made to support manufacturing jobs in Victoria.

"In May 2006, the Howard Government pledged \$52.5 million in special assistance so that Ford Australia could secure car manufacturing jobs with a new assembly line in Victoria, while the Brumby Government fiddled around the edges.

"The Howard Government delivered \$32.5 million of this commitment with the remaining \$20 million set to be provided in 2009, but the Rudd Government, on the excuse of budget frugality and in a cost cutting exercise, decided last December to renege on the remaining \$20 million promise.

"Failure to deliver on this commitment has the potential to jeopardise Ford operations in Victoria, and the news that the closure in March of the Mitsubishi plant in Adelaide may well have an impact on Victorian based suppliers, entitles Victorian manufacturing workers to ask what the Brumby Government is doing to protect their jobs.

"When the Minister for Industry and Trade, Theo Theophanous, was asked if the Rudd strategy of denying assistance to the Victorian manufacturing industry is a forerunner of what might happen to similar support packages made available to the Victorian motor industry, he refused to answer.

"Over the past eight years, Victoria's Labor Government has been willing to see thousands of manufacturing jobs exported offshore, removing job security. It has ignored calls to support local car manufacturing, especially in Geelong, and has refused to reduce business costs.

"Ford Australia has long been important to the Geelong economy, providing thousands of jobs and generous financial sponsorship to the community, including the Geelong Football Club.

"Last year when Ford announced cuts to its Geelong plant as a result of worldwide market pressure, instead of supporting a plan for the future of Victorian workers and their families, the Brumby Government simply sat on its hands and did nothing.

"Now more than ever the Brumby Government should be supporting the Geelong community and the retention of industry jobs.

"Although the Rudd Government has been forced to back down on axing the \$20 million grant to Ford, on the threat of legal action, it is apparent that both the Brumby and Rudd governments lack the backbone to sensibly support our local manufacturing industries.

"Rather, they both continue to waste millions of dollars on building bureaucracy and self promotion and instead of convening reviews and mickey-mouse summits, strong leadership and action is needed to take car manufacturing forward", said David Koch.

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