



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Federation Chamber**

**ADJOURNMENT**

**Automotive Industry**

**SPEECH**

**Thursday, 12 December 2013**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Thursday, 12 December 2013  
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**Questioner**  
**Speaker** King, Catherine, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Ms KING** (Ballarat) (11:59): Yesterday workers and all Australians across the country received the devastating news that Holden would cease manufacturing vehicles in this country. In 1948, Holden made history by manufacturing the first all-Australian car at Fishermans Bend. Finally Australians had a car that was built by Australians, for Australians—a car that was as tough as its surroundings, a car that stood proud on the road. It was the beginning of an icon, a new industry, and our love affair with the motor car. The Holden FX was the first all-Australian mass-produced car. It was a huge hit, with 18,000 people paying a deposit without even having seen it. Australian families have embraced their Holden cars ever since—new Holdens have opened the door to our vast and magnificent country and inspired pride on the race track. It has been part of many families' history. I know that my first car as an 18-year-old was a cyan blue HQ Holden. My brother did his apprenticeship at Fishermans Bend as a fitter and turner. Holden has been very much part of our own family story and our own family history.

For 65 years Holden has proudly been a key driver of employment, research and development, skills and productivity in Victoria. Manufacturing is a critical part of the Victorian economy and Holden sits at the heart of Victoria's automotive manufacturing industry. Australia's car makers directly employ thousands of people, and with around 70 per cent of Australia's automotive industry's component manufacturers based in Victoria indirect employment through their supply chains results in many more thousands of jobs, many of which are in regional Victoria, many of which are in small businesses. Local businesses in the Ballarat region make metal pressings and assemblies, disc brake pads, seatbelts, exhausts, and automotive electrical harnesses. The jobs, design expertise, manufacturing skills and investment provided by our automotive industry flow through the economy and into other sectors. Our automotive industry is vital for our economic future and it is vital for Australia to stay at the forefront of innovation.

Labor supports a strong car industry. The fact is that government co-investment in the automotive industry delivers a solid return—a solid return on jobs, a solid return on the multiplier for local economies and a solid return for design and innovation across the entire manufacturing sector. The \$2.7 billion Labor invested in the industry had seen \$26 billion in new investment. Holden wanted to stay in Australia and wanted to invest in this country. The reality is that it will cost taxpayers many times more to let this industry fail than it will to support it.

The Abbott government had been warned of the consequences of their \$500 million cut in assistance for the industry and what effect that would have on the automotive manufacturing industry and our economy. They were warned before the election when they announce that this was a policy. They try to pretend otherwise but they were warned before the election. They can have been in no doubt at all what the consequences of that policy were to have for the ongoing viability of Holden, and now questions surround the ongoing viability of Toyota in this country.

By bringing the automotive industry to a halt the Abbott government will cut \$7.3 billion from Australia's GDP by 2018 and the economy will be \$21.5 billion smaller as a result of a policy decision of this government. The decision will have a huge impact on the Victorian and South Australian economies. Without the car industry, gross regional product in Melbourne and Adelaide is expected not to recover for almost two decades until 2031. While the Treasurer in the parliament this week was daring Holden to leave, the government should have been doing all it could to protect local jobs and support the future of our car industry.

My most immediate thoughts are with those employees directly affected. It will be in the many months and years to come with the many more employees who are not directly employed by Holden but employed through the many small businesses, small to medium enterprises, in this sector right the way across the Victorian economy. I call on the government to work with Holden, the workers and the unions to ensure that they are supported, but equally to work with our regional economies which are going to take a massive hit from this disastrous decision of the government.