

Australia mourns the end of its car manufacturing industry

By Jacqueline Williams

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Kane Butterfield started working for Holden at 19 in a small South Australian town built around making the distinctly Australian cars.

But on Friday, after 17 years with the company at its Adelaide auto plant, he and hundreds of other employees bid it farewell, as the factory officially closed, putting an end to car manufacturing in Australia.

“I think it’s pretty tragic really that we’ve let go of one of the best cars around the world,” Mr. Butterfield, 37, told a crowd of reporters gathered outside Australia’s last functioning car factory.

There has been a car industry in Australia for almost as long as there have been cars. Friday’s closure in Elizabeth, a suburb of Adelaide, left many questioning why the government did not step in and save the country’s once-vibrant auto industry, when auto manufacturers in the United States and elsewhere received big bailouts to stay afloat.

Auto plants in Australia have slowly been closing over the last several decades, with Ford, Toyota and now Holden, a General Motors subsidiary, shutting their manufacturing operations over roughly the last year.

Some blame the industry’s demise on the government’s refusal in 2013 to come to the rescue of the country’s automakers as they were battered by a high Australian dollar, high production costs and a shrinking domestic market.

Union officials estimated about 30,000 people lost their jobs as a result of the recent closures. In the area north of Adelaide, which has at times had South Australia’s highest unemployment rate and where Holden was the

largest employer, nearly 1,000 people were left looking for work as a

Leading politicians expressed dismay at the fate of the domestic auto industry.

“Personally, I feel very sad, as we all do, for the end of an era,” Prime Minister Malcolm Turnbull said during a radio interview on Friday. He added that the majority of workers in Elizabeth had either found new employment, decided to go back to school or retired.

But union representatives said most of the laid-off workers will never get work in the manufacturing industry again.

The average length of service among those at the plant was about 20 years, according to the Australian Manufacturing Workers Union, and the average age of those affected by the closure was about 38.

But John Camillo, the union’s secretary in South Australia, said it was the workers over 50 that were particularly struggling to find new employment.

“It’s difficult out there, especially here in Adelaide,” Mr. Camillo said.

The decision to stop making cars in Australia reflects “the perfect storm of negative influences the car industry faces,” Mr. Turnbull said. He pointed to the continued strength of the Australian dollar, high production costs, and a small domestic market that is both competitive and fragmented.

The small size of the domestic car industry made it almost impossible to compete against foreign automakers.

“It just didn’t reach the scale of operation,” said John W. Freebairn, an economics professor at the University of Melbourne.

“You have to compete with the smart U.S. manufacturers, the Japanese, the South Koreans and so on who are producing several hundred thousand units a year. Our guys were nowhere near that.”

Holden devotees drove their cars through the town Sunday to commemorate “the end of an era.”

“Holden is one of Australia’s most iconic brands,” said Mark Bernhard, Holden’s chairman and managing director, in a statement. “We built the auto industry in this country and Australia grew up with Holden.”