Industry, skills and investment

The Economic and Labour Relations Review
2022, Vol. 33(2) 415–433

DOI: 10.1177/10353046221079870
journals.sagepub.com/home/elra

The decline and fall of the Australian automotive industry

Tom Conley
Griffith University, Australia

Abstract

This article assesses the historical political economy of the Australian automotive industry alongside the paradigmatic policy shift in economic policy away from protection towards neoliberalism and globalisation. It focuses on the politics of policy change and government assistance, providing a detailed historical narrative of the development and decline of the Australian automotive industry. From the mid-1980s to the mid-2010s, policy-makers oversaw the decline and fall of the Australian automotive industry. The process of decline occurred within a long-term cycle of new assistance, declining protection, new investment, inadequate restructuring, weak profitability, declining market share, and new assistance. Each cycle, however, was unable to stave off renewed crisis and eventual demise. Over the same period, Australian policy-makers transformed the economy from one of the most protectionist in the developed world to one of the most open. The article outlines the impact of neoliberalism on the automotive industry and analyses what the decline of the industry tells us about how the neoliberal policy structure operates in the 'actually existing' political economy. It argues that while the burgeoning neoliberal policy structure in the 1980s and 1990s acted to restrict the range of policy choices available for restructuring the industry, the domestic politics of industry assistance acted to restrict the neoliberal colonisation of the policy agenda. Neoliberal governance has had to contend with political imperatives for continuing assistance, while, at the same time, those political imperatives have been increasingly shaped by neoliberalism.

JEL codes: L50, L62

Keywords

globalisation, markets and marketisation, neoliberalism, regulation, free trade, industrial/employment relations policy

Corresponding author:
Tom Conley, School of Government and International Relations, Griffith University, 170 Kessels Rd, Nathan, QLD 4111, Australia.
Email: t.conley@griffith.edu.au

Introduction

From the mid-1980s to the mid-2010s, policy-makers oversaw the decline and fall of the Australian automotive industry. Beginning with the Hawke government's Button Plan, the aim of policy was to consolidate the industry to begin the process of fitting it within the developing neoliberal agenda of the government. The process of decline occurred within a long-term cycle of new assistance, declining protection, investment, inadequate restructuring, weak profitability, declining market share, and new assistance. Each round of intervention and industry adjustment led to renewed demands for assistance from the car companies and workers, as well as increasing calls from mainstream commentators that the industry should be allowed to fail, given the cost of assistance. Government rhetoric promised increased global competitiveness, expanding exports, improved R&D spending, and higher employment. Each and every measure, however, was unable to stave off renewed crisis. The process ended in late 2013 when the Abbott government told the remaining manufacturers that there would be no additional assistance, leading Holden and Toyota to announce an end to vehicle production by 2017.

Over the same 30-year period, Australian policy-makers transformed the economy from one of the most protectionist in the developed world to one of the most open. The Hawke and Keating Labor governments (1983–1996) transformed the economy through economic policy liberalisation in finance, trade, competition policy, government ownership and the labour market. The subsequent conservative Howard Liberal-National Coalition and Rudd-Gillard-Rudd Labor governments cemented the globalisation consensus but differed significantly in their support for industry and social policies (Conley, 2009). The key plank of the consensus is that the globalisation (i.e. neoliberalisation) of the Australian economy is the only viable economic policy strategy; past forms of industry protection or new forms of strategic interventionism (new protection) have no place in a modern globalised economy. The Australian political economy has come to be characterised by a crude dichotomisation between globalism and protectionism, with strategic interventionism considered simply as a new form of the latter (Conley and Van Acker, 2011).

The global pandemic has led to some questioning of the dominant neoliberal policy structure, but it is too soon to tell whether the current crisis will translate into paradigmatic policy change away from globalisation and neoliberalism. What we can know is how the growing predilection for neoliberalism since the 1980s has acted to limit policy possibilities away from the widescale intervention required to effectively restructure the Australian automotive industry.

Stanford (2017: 2) argues demise was a result of the shift of the bipartisan consensus in Australia towards neoliberalism. Interventionist possibilities during the Hawke-Keating years represented by the Accord and union initiatives such as *Australia Reconstructed* were overwhelmed by growing government support for neoliberalism. Stanford correctly contends that policy-makers primary strategy for increasing exports—namely, unilateral and multilateral trade liberalisation—failed utterly in stimulating automotive exports. The liberalisation of foreign currency trading and the financialisation of the economy were also major contributors to the industry's demise. The high

Australian dollar, caused by the resources boom and actively encouraged by the Reserve Bank, increased production costs and contributed to the perception of General Motors, Ford and Toyota parent companies 'that Australia was an unsustainably expensive location for future production' (Stanford, 2017: 207). Currency conditions improved markedly by the middle of the 2010s, but it was too late. Barnes (2017: 231) correctly contends: 'neoliberal claims—that fiscally conservative states and private-led enterprise development without substantial state subsidies provide the ingredients for successful industrial development—do not seem plausible'.

Clibborn et al., (2016: 3) provide a post-mortem, considering whether employers, government or trade unions killed the industry. They argue 'the decline in the effective rate of protection accompanied by ultimately unsuccessful government assistance packages, the rising value of the Australian dollar, and the difficulties of domestic producers to maintain profitability were most important'. These recent analyses, and the classic work on the industry by Conlon and Perkins (2001), show clearly how long-term protectionism shaped the industry and made reform difficult. New problems arose as the industry was restructured through consolidation and as the pervasive influence of neoliberalism on policy choices grew.

This article outlines the impact of neoliberalism on the automotive industry and analyses what the decline of the industry tells us about how the neoliberal policy structure operates in the 'actually existing' political economy. As Dardot and Laval (2013: 9) argue:

> In truth, there was no large-scale conspiracy, nor even a ready-fashioned doctrine cynically and resolutely implemented by politicians to meet the expectations of their powerful friends in the world of business. The normative logic that ended up being imposed was constructed through battles that were initially uncertain and policies that were frequently groping. The neo-liberal society we live in is the fruit of a historical process that was not fully programmed by its pioneers. Its constituent elements were assembled gradually, in interaction with one another, and in the consolidation of some by others.

The article argues that the burgeoning neoliberal policy structure in the 1980s and 1990s acted to restrict the range of policy choices available for restructuring the industry, but the politics of industry assistance acted to restrict the neoliberal colonisation of the policy agenda. The embrace of neoliberal governance has had to contend with political imperatives for continuing assistance, while, at the same time, those political imperatives have been increasingly shaped by neoliberalism.

The automotive industry shows that governments have not been consistent in their neoliberal embrace, nor have they abandoned assistance and industry policies. Neoliberalism in practice is not the same as neoliberalism as ideology and theory (Cahill, 2010; Crouch, 2011; Mirowski, 2013). Governments face political imperatives as well as economic ones. Up until the Abbott government in 2013, both Labor and Coalition governments believed that any sudden end to vehicle manufacturing would have serious political and economic consequences. Key marginal seats were at stake and significant unemployment would result. Political machinations forced compromises on the neoliberal framework.

Nevertheless, with the structural policy shift towards neoliberalism, the traditional way of ensuring profitability in the automotive industry—restricting foreign access to the domestic market—was no longer possible. For optimists, the automotive industry would be able to make the transition to a post-tariff existence, but Marks's argument in the early 2010s that Australian policy-makers had successfully globalised the automotive industry, 'thereby safeguarding the viability of production in the long run', seems naïve in hindsight (Marks, 2013: 148). Rather than a transformation towards production for global markets or as a supplier to regional production structures, the Australian market remained the primary focus of Australian production. Exports grew, but imports exploded as Australians increasingly embraced the new level of product choice provided by foreign car makers entering the market. Export opportunities were limited by foreign parent companies, who never saw a major role for Australian operations in their overall global and regional strategies (Productivity Commission, 2013a). Wright et al., (2011: 2) argue that the Australian automotive industry developed and survived because of two benefactors: 'global parent companies and the Australian state'. The decline in state support clearly meant a greater reliance on the parent companies. As the authors note, the problems the parents faced in the aftermath of the global economic crisis made local dependence on them increasingly precarious. The most damaging outcome of the crisis was the shift back to local production and a weakening of export goals.

The increasing embrace of neoliberalism, and the widespread vilification of strategic intervention in Australia and across the developed world (Conley and Van Acker, 2011; Hampson, 2012; Stanford, 2017), meant that policy-makers were unwilling to consider more significant and comprehensive interventionist strategies such as the development of an Australian-owned car industry with one scale producer. Nor did they consider the possibility of tying a restructured Australian industry into the growing network of automotive operations in Southeast Asia (Rugman and Collinson, 2004; Sturgeon et al., 2008). No alternatives to the existing and declining structure of production and ownership were ever seriously considered. Instead, the major issue for governments was the electoral consequences of collapse.

The neoliberal policy shift precluded comprehensive industry intervention because it simply did not fit with the new globalising growth model of the Australian political economy. Globalisation and the development of a neoliberal policy structure acted to constrain economic policy discretion, but declining policy autonomy from the world *political* economy was not an unfortunate by-product of the policy shift—it was the very aim of policy. It was the aim of policy to privilege a more 'market-oriented' or 'business' set of values and regulations in the determination of individual and societal choices (Conley, 2001).

This article assesses the historical political economy of the Australian automotive industry in the context of the paradigmatic policy shift in economic policy away from protection and insularity towards neoliberalism and globalisation. It highlights how this shift has been particularly important for both the automotive industry and industry policy. It focuses on the politics of policy change and government assistance, providing a detailed historical narrative of the development and decline of the Australian automotive industry.

Defining neoliberalism

In this article I define neoliberalism as:

1. A set of 'market' ideas to guide policy and restrict certain political interventions, especially those that involve an expansion of state social support and progressive taxation on the wealthy and capital (Blyth, 2002; Cahill, 2013). These ideas based on but departing from classical liberal precepts were honed by what (Mirowski, 2009; Mirowski, 2013) calls the neoliberal thought collective, and were supported by sections of business, journalists and wider academia (especially orthodox 'economics'). These policy ideas were taken up as a 'solution' to the twin economic and political crises of the 1970s and 1980s and became a catch-all putative solution to political, social and economic problems
2. A collection of 'double truths' (Mirowski, 2013) about markets, the state and corporations, wherein markets are often partial, state strength often desired (with limitations on democracy's ability to challenge the new political economy) and corporations mainly concerned with making profit, whether through markets, state support or public contracts (Brown, 2019; Conley, 2004). The GFC and the pandemic have exposed these accommodations.
3. A political *and* economic project that has attempted to change expectations about the role of the state and welfare (Cerny, 1997; Conley, 2001; Conley, 2004). This has been both a governance and societal project that has reshaped the advanced capitalist democracies and has been undertaken by governments of both the left and right.
4. A set of enacted policies that have facilitated globalisation and financialisation and created policy regimes, built on debt expansion, which favour business actors, particularly financial interests, over labour. The aim has been to limit the impact of democratic and interest group pressures on business and wealthy individuals and families (Brown, 2019). While differing policy legacies and institutional frames continue to provide fuel for comparative political economy, there has been, as Baccaro and Howell (2017: 17) show, a convergence towards policies and institutions that expand employer discretion.

As Crouch (2011: viii) argues: 'neoliberalism is nothing like as devoted to free markets as is claimed. It is rather devoted to the dominance of public life by the giant corporation'. This dominance translates into political power through the enormous resources available to corporations to influence and shape the political process and their ability to move across borders. The automotive industry shows the power of major (foreign) corporations to gain government assistance to maintain profitability in an environment of neoliberal rhetoric and policy changes in other areas of the economy. The ability and need to resist the neoliberal policy shift were augmented by concerns about electoral and economic consequences of the end of automotive production and, during Labor governments, union support for assistance.

If we define neoliberalism as the achievement of small government then it has not been successful anywhere in the world. There may have been an end to the 'expanding state' (McEachern, 1990), switches in spending to favoured groups, and austerity for welfare recipients, but overall efforts to substantially shrink the size of the state had failed, even before the pandemic made such arguments redundant (Brenner and Theodore, 2002; Braithwaite, 2008; Vogel, 1996). The Australian automotive industry shows that governments continued to be willing to spend money to support globalising industries, but not to intervene in such a way to create new structures of ownership and production.

Neoliberalism combined with state power has reshaped expectations about the role of the state and individuals, and has facilitated corporate favouritism and domination. Analysing Australia and the automotive industry helps to reveal the 'variegated nature of neoliberalism' (Brenner et al., 2010) and its coexistence with, rather than complete domination of, earlier policy imperatives (i.e. Keynesianism, protectionism and welfarism), which continue to shape policy and the political economy. No 'place' matches up fully to neoliberal ideals because of political imperatives. The neoliberal policy shift did not mean the end of industry assistance or welfare, but it did help to highlight costs rather than benefits. Ultimately, however, the embrace of neoliberalism by both major parties helped to ensure the demise of an automotive industry that had its origins in the early 20th century.

Protected beginnings

In the lead up to World War I, demand for automobiles grew quickly and, without protection, their importation would have had a severe effect on Australia's balance of payments (Conlon and Perkins, 1995). In the 1920s, Ford, General Motors, Chrysler and British Motor Corporation established assembly plants, with production important for employment. The Brigden Report into tariffs in 1929 noted that manufacturing industries could supply higher levels of employment than the export industries (Brigden, 1929). The Great Depression reinforced the protectionist ethos, with manufacturing seen as essential for employment and strategic purposes. In 1936, the conservative Joseph Lyons-led United Australia Party government established a bounty to encourage 'the manufacture of motor engines and chassis to permit the manufacture of complete motor cars in this country' (Conlon and Perkins, 1995: 50).

After the war, Australia turned to the United States to supply capital and technology for the manufacturing sector. The first fully manufactured Australian car, the General Motors-Holden FX, rolled off the assembly line in 1948. Extensive tariffs and import quotas supported the new investments. The state did not attempt to exact commitments from manufacturers to reinvest profits to ensure modernisation, with both political parties complicit in non-strategic protectionism (Bell, 1993: 34–35).

In 1964, GMH built 150,000 EH Holdens with 100% local content. The Menzies Liberal government's 1964 Plans A and B, however, led to a proliferation of models and reduced any possibility that the industry could increase scale to make it more productive. Local content rules were set at 95%, but less Australian content was needed for lower volume model production. Conlon and Perkins (1995: 51) argue that the inability to exploit economies of scale 'has been at the core of the industry's problems throughout its existence'. In 1966, the Menzies government increased tariffs for completely built-up imports from 35 to 45%, making the Australian car industry one of the most protected in the world.

Tariffs were increased three times during the 1970s. The Whitlam Labor government's across the board tariff cut of 25% in 1973 applied to automotive tariffs, but they returned to 45% in 1974 (Owens, 1995). The Australian share of the market fell from 84% in 1966 to 68% in 1973 and the response in 1974 was to introduce an 80/20 market arrangement, which limited imports to 20% of the market (Conlon and Perkins, 1995: 53).

The Fraser Liberal Party government's invitations to Nissan and Toyota to become full manufacturers put intense competitive pressures on Chrysler, Ford and GMH. Chrysler sold its operation to its Japanese partner Mitsubishi in April 1980. Increasing imports, particularly of small cars, led the government to extend the 80/20 measure to 1984, increase the tariff to 57.5% in 1978, and to develop an export facilitation scheme in 1979. The 1981 Lynch plan continued the local content scheme, extended export facilitation, and substituted a tariff quota system for the 80/20 arrangement (Richardson, 1997). While protectionism did not guarantee profitability, quotas and tariffs did guarantee a market for manufacturers.

The button plan and consolidation

The Lynch Plan was stillborn after the Hawke Labor government won the 1983 election. Industry Minister John Button stressed that he was against special assistance to sectors and that little of Australian industry was exposed to 'the harsh world of international competition' (Button, 1983: 444). Button (1983: 878) attempted to shift the focus of industry policy away from protection towards adjustment and so-called 'positive assistance'. The government could only do so much. To those hoping the Hawke government would embrace a more comprehensive and strategic approach, he countered that industry policy did not 'imply detailed prescriptive planning and it cannot disregard market disciplines or 'pick winners'.

Button's express aim in the Motor Industry Development Plan (Button Plan) was to reduce the number of models produced from thirteen to six and the number of manufacturers from five to three. The plan involved reform to four different types of assistance: local content plans, tariff protection for vehicle and component producers, import quotas, and export facilitation (Owens, 1995: 69–70).

The government wanted to build a streamlined, export-oriented automotive sector that could cope with the reduction in tariffs and quotas with 'positive assistance measures', such as incentives for exports, investment, and skill and design upgrades (Bell, 1993: 139). The plan was helped in its initial stages by the significant fall in the exchange rate, which allowed the government to abandon quotas, speed up tariff reductions, and eliminate local content requirements. In 1990, the Industry Commission (IC) recommended that automotive tariffs be reduced from 35% to 15% in 2000 via annual reductions of 2.5% (Industry Commission 1990). The measures outlined in the 1991 statement, *Building a Competitive Australia*, accepted this timetable (Hawke et al., 1991).

Button's aims for a new industry policy was hamstrung by the globalising ethos of the government's two major players — Hawke, and Treasurer Paul Keating. Button's failure to convince his colleagues that intervention was a necessary component of overall economic policy led to significant frustration (Button, 1983

By the middle of the 1990s, despite continuing negative reactions from the manufacturing sector (Porter, 1997: 6), many business sectors became increasingly resigned to the opening up of the Australian economy and the embrace of neoliberalism. Representatives of mining and agriculture had long argued for a greater emphasis on Australia's comparative advantages in resources. Even within the manufacturing sector, groups such as the Metal Trades Industry Association, which had opposed tariff liberalisation, eventually changed their stance. In general, business opposition to tariff reductions was muted by the growing business consensus about the benefits of neoliberalism and globalisation. To a significant extent, however, the need to persuade business, labour and the wider population about the benefits of globalisation had been overtaken by the coercive effect of tariff reductions.

Cahill and Humphrys (2019: 962) take it for granted that the during the Hawke and Keating governments 'the state and economy underwent a process of radical neoliberalisation'. Humphrys (2018) argues that the Accord as a social contract enwrapped the labour movement into a new hegemonic neoliberal project, countering the view that the compact stood apart from the neoliberal project. Corporatist and neoliberal goals to lower wages and curb union militancy were, Humphrys (2018: 54) argues, 'the central motivation and key achievement of the Accord'. The irony was that union—particularly Amalgamated Metal Workers Union—involvement was predicated on a new strategic approach to industry restructuring that was undermined by the strength of neoliberal rhetoric and policy changes.

Delayed demise during the howard years

In the lead up to the 1996 election, the John Howard-led Liberal-National Party opposition argued for a more moderate stance on remaining protection. In office, the new government quickly announced a review of the automotive industry by the IC. Treasurer, Peter Costello, argued that the inquiry should 'have regard to the Government's desire to encourage the development of a sustainable, prosperous and internationally competitive' industry (Porter, 2013). Vehicle exports had increased from one% of production in 1988 to 7.5% in 1995 and component exports had doubled. Unfortunately, imports had tripled over the same period. Given the government's reluctance to increase budgetary assistance, the manufacturers soon demanded a tariff pause.

In its 1996 draft report, the IC recommended that tariffs be reduced to 5% by 2004 (Industry Commission, 1996). The Victorian and South Australian governments were vehemently opposed and while the federal Labor opposition also called for a freeze on tariffs, Gough Whitlam argued that Labor should support further cuts. As the time for a decision drew near, industry executives lobbied the Prime Minister and were heavily involved in the final negotiations. The government's response was to freeze tariffs at 15% until 2005, when they would drop to 10%. As could be expected, the decision was widely condemned by a wide range of political commentators and the National Farmer's Federation. One critique was that Howard was pushing an 'Australia Inc.' strategy that was redolent of East Asian development strategies (Grattan, 1997). Toyota responded to the tariff freeze by committing a billion dollars to its Melbourne Production Centre. A slowdown in the pace of change encouraged new investment. Howard did not want to preside over the end of the Australian automotive industry.

In the lead up to the 1998 election, the government announced an Automotive Competitiveness and Investment Scheme (ACIS) that Industry Minister Ian Moore argued would provide ‘an incentive for industry to continue its progress toward global competitiveness and a self-sustaining future in the context of trade liberalisation and the globalisation of the car industry’ (cited in Automotive News, 1998). The real issue was whether the parent companies were interested in making Australian production part of their global strategies. Earlier, the newly badged ‘Holden’ announced a plan to invest $1.4 billion to develop export models, which played a major role in the government delaying further tariff cuts. Other manufacturers joined in with headlines announcing that $6 billion in exports were now possible because of the tariff freeze. In April, the government announced a new ‘tax exemption in return for investment’ program to replace the Export Facilitation Scheme, which had been ruled illegal by the World Trade Organisation.

Problems soon returned. In early 1999, Toyota complained about the falling local share of car sales, arguing that the government should introduce measures to provide advantages to local producers. In late April 2000, Mitsubishi announced it was cutting 600 jobs, blaming exchange rate pressures, global overproduction, and declining domestic demand. Mitsubishi was the weakest of the car companies, but no Federal or South Australian government wanted to be held responsible. Mitsubishi’s Japanese parent faced considerable difficulties and made it clear that the Australian operations would require further assistance for the company to remain.

In December 2000, Holden’s US parent decided to build V6 engines in Melbourne, providing some hope for the industry. Chairman Peter Hannenburger argued that Holden’s performance was unique in the world: ‘we are the only guys who can design, develop and build a relatively affordable, high-tech car in the low volumes we do while earning some good money’ (cited in Mellor, 2000: 26). Continued government support, however, was a necessary part of the profitability equation. Holden had agreed to $400 million of new investment after the Victorian and Federal governments had offered a further $160 million of assistance, which was on top of assistance already available through ACIS. The deal annoyed the South Australian government who argued that Victorian Premier Steve Bracks had ‘bought Holden for $60 million’ (Schubert and Altman, 2000: 4).

The May 2001 Budget provided further assistance to the industry, with the government announcing a scheme to allow companies to claim full input tax credits on automotive purchases. This was projected to cut $600 million off vehicle prices over the following year, increasing fleet buying—a significant source of sales for the industry—by a billion dollars. The Howard government’s chances in key marginal Adelaide seats were improved by the announcement in early August that Mitsubishi would stay until at least 2005. Although no new federal assistance was offered, under the revised general $2 billion assistance scheme, Mitsubishi was entitled to $200 million. The SA government provided a further $20 million. It was not going to last, but it was not going to go just before an election.

In 2001, the re-elected Howard Coalition government directed the Productivity Commission (PC) to review the tariff schedule and to report *after* the SA election.[1] After much debate and speculation about Mitsubishi's future and whether the government would provide additional assistance, the company reported a profit in March 2002. The collapse of the dollar helped the car industry significantly. In April, Mitsubishi agreed to invest in its Adelaide operations in return for an $85 million assistance package, comprising $35 million from the Federal government and $50 million from the State government.

In June 2002, the PC provided three options for the Howard government on future assistance, with the preferred option a tariff reduction from 15 to 10% in 2005, a freeze until 2010, and then another fall to 5%. Surprisingly, the PC recommended a continuation of assistance for up to 10 years to help the transition to lower protection (Productivity Commission, 2002). One of the Commissioners argued, however, that 'this should be the last period of special treatment'.

In December 2002, the Howard government announced a 10-years, $4.2 billion package for the car industry (subsequently $7.3 billion). The new package was available to car makers and the components industry and was to run from 2005 to 2015, augmenting the 1998 package. The government legislated to lower tariffs to 10% in 2005, with a further reduction to 5% in 2010. Minister Ian Macfarlane argued that the package would create '10years of certainty' for the car industry and suppliers (Macfarlane, 2002). He also argued that Mitsubishi's investment was dependent on the package. Reinforcing the sense of optimism, Ford announced a $500 million expansion of its Broadmeadows operation in Victoria, Toyota declared it was considering a $600 million expansion and Holden announced plans for a $400 million engine plant in Melbourne and a $460 million plant in Adelaide. Good news continued, with Mitsubishi and Toyota announcing further investment in Australia and Holden opening its $400 million engine plant. Industry executives predicted that, by 2010, the PMV sector would 'produce 500,000 vehicles a year and export $10 billion worth of product' (AAP, 2003). Exports continued to expand, with the Ford Territory SUV garnering significant sales in South Africa, Holden entering China and South Korea, and Toyota exporting Camrys to the Middle East.

The good times did not last for long as the burgeoning mining boom pushed up the value of the Australian dollar. In May 2004, Mitsubishi announced it would close its engine plant at Lonsdale (while maintaining vehicle manufacture at its Tonsley Park operations). Another government assistance package of $50 million led to a $600 million investment in a new Mitsubishi sedan (Howard, 2004). Unfortunately, there were no commitments beyond 2011 and it appeared that Mitsubishi was simply managing its own decline and eventual departure.

On 1 January 2005, car tariffs dropped to 10% and the automotive sector faced a rising dollar, significantly higher steel and energy prices, and greater competition from imports. The components sector was particularly hard hit, with cost pressures leading to closures and offshoring, which in turn lowered the level of local content (Roberts, 2005: 1, 25). Holden announced it would reduce production from 855 cars a day to 620 and cut 1400 jobs. The new Commodore VE model—a flagship for the company—would be only 50% locally built, meaning less business for local component manufacturers. In

May, Howard announced a further $52 million of assistance for Ford and $101 million for industry research and development, arguing ‘I do not believe in an Australia with a steadily diminishing contribution from manufacturing industry to the nation’s future’ (cited in Trounson, 2006: 33).

In late 2006 and during 2007, rumours about Mitsubishi’s imminent demise grew stronger. The US parents of Ford Australia and Holden announced major losses, adding to the general perception of malaise. In December, Macfarlane announced a $7.2 million assistance package for the components sector (Macfarlane, 2006). The four majors asked the government for a tariff freeze at 10% and an additional billion dollars of aid. Both Costello and Howard ruled out further changes, reminding the companies that the government was committed to tariff cuts. The automotive unions, however, continued to support tariff protection, as did the finance minister, South Australian Senator Nick Minchin.

Higher imports aided by the rising Australian dollar and the rising price of petrol were further bad news for Australian production. In March, the Labor Opposition announced that it would develop a $500 million dollar plan aimed at the production of environmentally friendly vehicles. In July, Ford announced that it would close its engine plant in Geelong in 2010 with a loss of 600 jobs, but then announced that it would begin manufacture of the Ford Focus (Macfarlane, 2002). The Federal and Victorian State governments contributed $20 million each, but the project never got off the ground.

While Howard was a self-proclaimed economic liberal, he was also aware of the political consequences of rapid economic change (Conley, 2001). Assistance was essential for maintaining electoral support, but ad hoc support could not counter the unpreparedness of the Australian industry for import competition. From 1996 to 2005, exports grew at an annual average of 14%, but this good news was overshadowed by the four car makers’ loss of domestic market share to 20% of the market by 2006. The equation was now clear for policy-makers: the neoliberal policy structure was now a given, which meant that new investment would require ongoing assistance. Substantial federal and state government funds could not save Mitsubishi, and it ceased operations in 2008.

The unfulfilled promise of the rudd government

In 2007, the new Rudd government quickly announced four industry inquiries, excluding the PC from all of them. The PC argued that the automotive industry should adjust to the shift in investment towards commodities, meaning that its continued operation was unnecessary for Australian prosperity. This view was shared amongst key policy-makers in the Treasury and the RBA. The Rudd government, critics argued, was returning to the ‘bad old days of big government and state intervention in the economy’ (Davidson 2008). Any effort to even maintain assistance, let alone comprehensively restructure the industry, had to battle against the now dominant neoliberal policy consensus. Australian business was also offside with what it considered to be the ‘old, failed policies of protectionism and intervention’ (ACCI, 2007). Despite pressure from the unions, the Rudd government was keen to establish its free trade credentials by upholding plans to reduce tariffs. Free trade deals with Thailand and the United States allowed cars to come into Australia tariff-free, while Australian producers faced prohibitive tariffs in Thailand and parent-imposed limitations in the United States.

In response to the global financial crisis (GFC), the government increased spending, but targeted households and infrastructure, rather than long-term industry development. With the economy subsequently invigorated by China's massive economic stimulus, the government soon cut spending to improve the budget position, restricting the scope for future assistance measures. In mid-2008, Holden announced it would cease engine production, but announced that it would build a new small car model—the Cruze. Ford and Holden's aim in Australia was to continue to bet on domestic demand buttressed by continuing assistance. Assistance was assured under a Labor government, but within the Opposition there were growing calls for an end to the endless cycle of assistance.

Throughout 2008, there was dire news from both Ford and the components sector. Ford announced more than 1450 job losses, and the components sector warned that up to 7000 jobs were in danger because of falling demand. Holden also announced significant job losses. Production cuts were planned by the whole sector and the global industry was experiencing its worst crisis in a generation. In June, the Federal government and Victorian State government each gave Toyota $35 million to build a new hybrid Camry in Melbourne. Some critics argued that Toyota had already decided to build the car and that the money was a gift rather than an incentive.

The GFC severely affected demand for cars world-wide because of the vital role that consumer credit plays in car purchases. Ford and General Motors teetered on the brink of bankruptcy and became even more reliant on US government assistance. Global over-supply and widespread assistance to national car industries throughout the world meant that continuing assistance would be vital for the survival of an Australian industry.

In July 2008, a review of the industry—led by former Victorian Premier Steve Bracks—argued for increased 'green' assistance but no delay on planned tariff cuts (Bracks, 2008) One commentator argued that the report showed an enthusiasm for 'green protectionism' (Kelly, 2008). The PC was also a critic arguing:

Assisted 'green car' production is unlikely to lead either to innovation spillovers or lower greenhouse emissions. The Green Car Investment Fund (GCIF) will likely encourage some buyers to switch from taxed, more efficiently produced imported hybrid and fuel-efficient vehicles to subsidised, higher cost, locally-produced ones — without markedly increasing 'green car' sales overall. (Productivity Commission, 2013b)

Labor wanted its car industry plans to tie in with its climate change commitments. The aim was to revitalise the local car industry by developing fuel-efficient vehicles. Soon after, however, Ford announced that it was cutting 300–350 workers at its Melbourne plants because of declining demand for its 6-cylinder vehicles. A month later, it said another 450 jobs would go. Meanwhile Holden was increasing the number of 'down days'. In November, the government responded to the Bracks Review by announcing *A New Car Plan for a Greener Future* (Department of Innovation, Industry, Science and Research, 2008). The measures involved would not be enough to assist any wide-scale restructuring of the industry to take advantage of future changes in vehicle demand, nor were there any plans to tie in with regional production networks. Indeed, the free trade deal with Thailand had assisted a significant export competitor. Rudd argued that the

Plan was a ‘decisive action to build an internationally-competitive, green economy for the future’ (Rudd, 2008).

Total assistance was $6.2 billion. A 10-years Green Car Fund (GCF) provided $1.3 billion of assistance, with the aim of generating $5 billion of investment. A $3.4 billion Automotive Transformation Scheme (ATS) replaced the Howard government’s ACIS and was to operate from 2011 to 2020, with the aim of generating $12 billion in new investment in R&D. There was $2.2 billion in new assistance, beyond what had already been committed, and the main assistance items would only be spent if the industry committed to new investment (Priestley, 2010). The green plan included a $116 million structural adjustment program for the components sector, $80 million to smooth the transition between ACIS and the ATS, $20 million to help suppliers integrate into the global supply chain, $6.3 million to improve market access, and a $10.5 million expansion of the LPG vehicle scheme. Ford shelved plans to shut its Geelong engine plan. Holden received another $180 million ($149 million from the GCF and $30 million from the SA government) to produce a small, fuel-efficient model. The problem was that the plan continued to rely on the benevolence of the parents to develop new production.

The shift in fiscal policy in the 2010–11 Budget saw the government scale down the GCIF by $200 million and subsequently abolish it in January 2011, saving $401 million over the life of the scheme. These savings helped to pay for recovery and reconstruction after the natural disasters of early 2011 (Productivity Commission, 2011). The government broke its promise to develop a new environmental focus for the Australian industry; any possibility that the government was simply continuing the crisis cycle disappeared with the cuts (Productivity Commission, 2014). Despite the difficult conditions caused by the GFC, during the life of the fund, local manufacturers ‘introduced Australia’s first hybrid car (Toyota’s Camry Hybrid), and remained committed to introducing a new small car (Holden’s Cruze), and releasing a number of new, more fuel-efficient engines, including the country’s first diesel engine’ (Porter, 2011).

In May, the government committed $39.8 million to Holden under the Green Innovation Fund to help produce a more fuel-efficient Commodore. The company, however, was critical of the wider cuts to the GCIF and later in the year argued that the government needed to develop a new and comprehensive co-investment program with manufacturers. Strategic goals to develop a green industry were hamstrung by deficit fetishism.

In January 2012, the Federal and Victorian governments committed $34 million to help Ford maintain production until 2016. Later that month, Toyota announced that the high Australian dollar had forced it to cut 350 jobs. In March, Prime Minister Gillard announced a $275 million deal to sustain Holden’s operations after the company threatened to close its manufacturing base in Australia if it did not receive further assistance (Combet and Gillard, 2012). In return, Holden agreed to invest more than $1 billion in its manufacturing operations, which were to continue in Australia until at least 2022. The government declared that the assistance was ‘not a handout’ but ‘a strategic investment’ (Owens, 1995). The Opposition was increasingly hostile, committing to cutting $500 million from automotive assistance if it won the next election. Paul Keating joined the chorus of criticism arguing the case for neoliberalism: ‘[i]f you are going to have terms of trade like this for a decade or 15 years or even perhaps longer . . . then the idea of trying to insulate companies and industries is a sub-economic idea' (Dunkley, 2012).

In April 2013, Holden Chairman, Mike Devereux, revealed that the company had received $2.2 billion in assistance over the previous 12 years. He argued that without the assistance it would have been 'absolutely impossible to make cars in this country' (AAP, 2013). The company then announced that it was cutting its Elizabeth workforce by a quarter. In May, Ford Australia confirmed that it would end local vehicle production in October 2016, leading to the loss of 1200 Victorian jobs and the end of production of the Falcon and Territory. After returning to the Prime Ministership, Kevin Rudd announced $500 million of new (ad hoc) assistance to the car industry, insisting that the September election would be a 'referendum on the car industry' (Maher and Martin, 2013). If that were true, the subsequent election of the Abbott government meant the industry lost. The Abbott government and the end of the road.

Despite calls for additional assistance, new Prime Minister Tony Abbott made it clear that there would be no extra financial support. Holden rejected Abbott's demand that the companies double exports in return for any assistance, arguing that there was insufficient international demand. The government assigned the PC the dominant role in its deliberations on the sector's future (Productivity Commission, 2013a). This was a clear signal of change, given the PC's hostility to automotive assistance.

On 5 December 2013, Abbott told Holden there would be no additional assistance and demanded that the company reveal its intentions. Over the next few days, Joe Hockey argued that the 'numbers involved in employment are greatly exaggerated when it comes to the motor vehicle industry'. In Parliament he stated: 'either you are here or you are not' (Potter, 2013). Within the week, Holden was gone; the company announcing that it would cease Australian production by 2017. South Australian Premier Jay Weatherill was scathing about the government's attitude. In February 2014, Toyota decided that it too would cease local manufacturing by 2017.

The Abbott government's denial of further assistance fitted with its budget rhetoric. Abbott argued that 'we do not want to see corporate welfare . . . we do not believe in corporate welfare' (Taylor, 2013). Trade Minister Andrew Robb warned of 'hard outcomes' for companies that could not adapt to global change. And Hockey suggested that: 'The age of entitlement is over. The age of personal responsibility has begun' (Hockey, 2013). A year after the announcements, Hockey argued that the end of car industry assistance had been an important trade-off for the completion of trade deals with Korea, China and Japan.

The Abbott government and Labor Opposition blamed each other for the industry's demise (Clibborn et al., 2016). The government argued unpersuasively that Labor's carbon tax and excessive wages were major factors (Fox Koob, 2017). The Opposition contended that the government had bullied Holden out of Australia (Wallace and Ferguson, 2014). The government successfully gambled that the political fallout would be limited and that negative economic consequences would be minimised by expansion in other sectors of the economy. The continuing growth of the economy helped to soften the blow of closure and the substitution of car industry employment with new naval construction helped to soften the medium-term political fallout of closure). No doubt, however, individual lives and communities close to manufacturing operations have been changed forever. Regardless of the political consequences, the economic consequences are certain. Australia no longer has a substantial automotive industry.

Conclusion

There are several critical periods in the demise of the automotive industry. Most crucial is the 13 years of Hawke and Keating Labor governments. The government's fiscal conservatism was revealed early in its term of government by the 'trilogy' commitment of 1984. The government committed to no increases in taxation, government spending, or the budget deficit as a percentage of gross domestic product (GDP), which made cuts to the public sector unavoidable. Subsequent commitments to budget surpluses restricted the possibilities for a more interventionist industry strategy. The industry's fate was sealed by the growing dominance of neoliberalism as a set of ideas to guide and restrict policy. While fights over the provision of government assistance have continued since the consolidation of neoliberalism as the new Australian policy consensus, the battle over strategic intervention was lost in 1991 when Hawke and Keating characterised it as 'new protection' and placed their faith in tariff cuts and trade liberalisation as the most efficient industry policy tools. Jones (1997: 21) argues that during the Hawke-Keating years:

> The stark reality is that none of the major parties—the trade union movement in general, the ACTU, and the Labor Party in Government—were committed to a broad and assertive agenda for industry policy (or trade policy for that matter).

Hawke and Keating Labor was followed by the conservative Howard Liberal-National government whose major concern centred around the electoral dangers of automotive industry demise rather than effectively restructuring the industry. The Rudd government provided the best opportunity for a revitalisation of strategic intervention, especially considering Rudd's critique of neoliberalism during the GFC. However, the renewal of the resources boom, fiscal conservatism, and general adherence to the neoliberal consensus led to continuing decline. The possibility of developing a new electric car industry was a missed opportunity to combine the need to reduce carbon emissions with an industry that could help achieve that aim. The green car plan was underfunded and never considered to be a serious proposition by the foreign owners. The Abbott government, with its small government rhetoric and outright hostility to the automotive industry, was finally willing to risk the electoral and economic consequences of the automotive industry's demise.

The cycle—outlined in the historical narrative—of inadequate intervention, insufficient industry adjustment. Renewed demands for assistance, further inadequate intervention, and so on, led to a growing belief that decline was inevitable. Once the battle against protectionism had been won by the early 1990s, the question was whether the industry—as it existed—could ever be viable without ongoing assistance. While each wave of reform/assistance from the 1980s onwards had self-sufficiency as a goal, eventually it became evident an unprotected, standalone automotive vehicle building industry owned and operated by foreign multinationals would always require some assistance, especially during periods of an elevated Australian dollar. The major issue for governments increasingly became the electoral consequences of collapse rather than the role an automotive industry (or indeed wider manufacturing) could play as a key component of a diversified economy. The demise of the automotive industry and continuing decline of the manufacturing sector signalled another victory for those who argue that governments should facilitate rather than fight the reallocation of economic resources from manufacturing to resource industries and the financial sector.

The shift to neoliberalism has not seen the end of government assistance; rather, it has seen its adaptation as the case of the Australian automotive industry clearly shows. The real question was whether the costs of assistance are worth it. In the case of the automotive industry, the answer of the Abbott government was a resounding no. Despite the dominance of neoliberal rhetoric, a substantially smaller state has not been created, especially in the aftermath of the GFC, the European debt crisis, and now the pandemic. Developed states have not reduced overall levels of taxation or spending as a percentage of GDP. Indeed, the OECD reports, 'while on average tax levels have generally been rising, the tax structure or tax "mix" has been remarkably stable over time' (OECD, 2019: 25). The state remains pivotal in the Australian political economy, indeed all political economies, but its aims have changed. The fiscal possibilities for a revitalisation of industry policy persist, but inclinations currently remain dormant.

Declaration of conflicting interests

The author declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author received no financial support for the research, authorship, and/or publication of this article.

ORCID iD

Tom Conley https://orcid.org/0000-0003-1592-8779

Note

1. The Productivity Commission came into being administratively in June 1996 but was not legislated for until 1998. See Productivity Commission (2003). The draft report on the automotive industry was published nominally under the PC label, but the final report was published as an IC Report.

References

AAP (Australian Associated Press) (2003) *Automotive Industry Wins Tariff Certainty to Boost Exports*. Australian Associated Press Financial News Wire.

AAP (Australian Associated Press) (2013) Holden says $2.2b govt help essential. *The Australian*, 2 April. Available at: http://www.theaustralian.com.au/news/latest-news/holden-says-22b-govt-help-essential/news-story/21607169675bbb6e966b7f4030d7fc92 (accessed 1 March 2021).

ACCI (Australian Chamber of Commerce and Industry) (2007) Media Release: ACCI Releases Manufacturing Sector Position Paper. Available at: https://webarchive.nla.gov.au/

awa/20090918052200/http://www.acci.asn.au/text_files/media_releases/2007/03-07.pdf (accessed 1 February 2019).
Automotive News (1998) Australia to give its industry a $1.3 billion boost. *Automotive News* 11: 26J.
Bell S (1993) *Australian Manufacturing and the State*. Melbourne, VIC: Cambridge University Press.
Blyth M (2002) *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century*. New York, NY: Cambridge University Press.
Bracks S (2008) *Review of Australia's Automotive Industry*. Canberra, ACT: Australian Government Publishing Service.
Braithwaite J (2008) *Regulatory Capitalism: How it Works, Ideas for Making it Better*. Cheltenham: Edward Elgar.
Brenner N and Theodore N (2002) Cities and the geographies of "actually existing neoliberalism". *Antipode* 34(3): 349–379.
Brenner N, Peck J and Theodore N (2010) Variegated neoliberalization: geographies, modalities, pathways. *Global Networks* 10(2): 182–222.
Brown W (2019) *The Ruins of Neoliberalism: The Rise of Antidemocratic Politics in the West*. New York, NY: Columbia University Press.
Brigden JB (1929) *The Australian Tariff: An Economic Inquiry*. Melbourne, VIC: Melbourne University Press.
Button J (1983) Speech to national economic summit, 14 April. *Commonwealth Record* 11–17: 444–448.
Cahill D (2010) 'Actually existing neoliberalism' and the global economic crisis. *Labour & Industry: A Journal of the Social and Economic Relations of Work* 20(3): 298–316.
Cahill D (2013) Ideas-centred explanations of the rise of neoliberalism: a critique. *Australian Journal of Political Science* 48(1): 71–84.
Cahill D and Humphrys E (2019) Rethinking the 'neoliberal thought collective' thesis. *Globalizations* 16(6): 948–965.
Cerny PG (1997) Paradoxes of the competition state: the dynamics of political globalization. *Government and Opposition* 32(2): 251–274.
Clibborn S, Lansbury RD and Wright CF (2016) Who killed the Australian automotive industry: the employers, government or trade unions? *Economic Papers: A Journal of Applied Economics and Policy* 35(1): 2–15.
Combet G and Gillard J (2012) Investing in automotive jobs and skills. Joint Media Release with the Prime Minister, the Hon Julia Gillard MP. 22 March. Available at: https://webarchive.nla.gov.au/awa/20141216113044/http://archive.industry.gov.au/ministerarchive2013/gregcombet/mediareleases/pages/investinginautomotivejobsandskills.aspx.htm (accessed 1 November 2020).
Conley T (2001) The domestic politics of globalisation. *Australian Journal of Political Science* 36(2): 223–246.
Conley T (2004) Globalisation and the politics of persuasion and coercion. *Australian Journal of Social Issues* 39(2): 183–200.
Conley T (2009) *The Vulnerable Country: Australia and the Global Economy*. Sydney, NSW: UNSW Press.
Conley T and van Acker E (2011) Whatever happened to industry policy in Australia? *Australian Journal of Political Science* 46(3): 503–517.
Conlon RM and Perkins JA (1995) Automotive industry policy in Australia: origins, impact and prospects. *Economic Papers: A Journal of Applied Economics and Policy* 14(3): 49–68.
Conlon RM and Perkins JA (2001) *Wheels and Deals: The Automotive Industry in Twentieth Century Australia*. Aldershot: Ashgate.

Crouch C (2011) *The Strange Non-death of Neoliberalism*. Cambridge: Polity Press.

Dardot P and Laval C (2013) *The New Way of the World*. London: On Neoliberal SocietyVerso.

Davidson S (2008) Industry policy madness. *Sydney Morning Herald*, 12 June. Available at: https://www.smh.com.au/business/industry-policy-madness-20080611-2p3p.html (accessed 2 February 2019).

Department of Innovation, Industry, Science and Research (2008) *A New Car Plan for a Greener Future*. Canberra, ACT: Australian Government Publishing Service.

Fox Koob S (2017) Automotive Aftermarket Apocalypse Set to Cost 25,000 Jobs. *Australian*, 2 February. Available at: http://www.theaustralian.com.au/national-affairs/automotive-aftermarket-apocalypse-set-to-cost-25000-jobs/news-story/840f9e1106fbdeee12629e35f15c3507 (accessed 1 November 2020).

Hampson I (2012) Industry policy under economic liberalism: policy development in the Prime Minister's manufacturing task force. *Economic and Labour Relations Review* 23(1): 39–56.

Hawke B, Keating P and Button J (1991) *Building a Competitive Australia*. Canberra, ACT: Australian Government Publishing Service.

Hockey J (2013). The task ahead. Address to the Centre for Independent Studies. *Sydney*, 8 November. Available at: https://webarchive.nla.gov.au/awa/20151020101110/http://jbh.ministers.treasury.gov.au/speech/002-2013/ (accessed 1 November 2020).

Humphrys E (2018) Simultaneously deepening corporatism and advancing neoliberalism: Australia under the Accord. *Journal of Sociology* 54(1): 49–63.

Industry Commission (1990) *The Automotive Industry*. Canberra, ACT: Australian Government Publishing Service.

Industry Commission (1996) *The Automotive Industry: Draft Report. Melbourne: The Commission*. Canberra, ACT: Australian Government Publishing Service.

Jones E (1997) The background to Australia reconstructed. *Journal of Australian Political Economy* 39: 17–38.

Macfarlane I (2002) A decade of certainty for the automotive industry. *Media Release*, 13 December. Available at: https://webarchive.nla.gov.au/awa/20060826031228/http://minister.industry.gov.au/index.cfm?event=object.showContent&objectID=E6FC3195-EA41-423A-9A42F76DD664D09B (accessed 12 March 2020).

Macfarlane I (2006). Macfarlane announces assistance for components industry. *Media Release*, 7 December. Available at: https://webarchive.nla.gov.au/awa/20070313051711/http://pandora.nla.gov.au/pan/37932/20070309-0000/www.minister.industry.gov.au/index3d9e.html (accessed 12 March 2020).

Maher S and Martin S (2013) Kevin Rudd's $500m boost for car industry. *The Australian*, 17 August. Available at: theaustralian.com.au/national-affairs/election-2013/kevin-rudds-500m-boost-for-car-industry/news-story/88967485be614840379cbdfc5a108d10 (accessed 1 November 2020).

Marks A (2013) The globalization of the Australian textile, clothing, footwear and motor vehicle industries: results in line with other western market economies. *Global Economy Journal* 13(1): 129–150.

Mellor J (2000) Holden the line. *The Australian* 14: 26.

Mirowski P (2009) Postface: defining neoliberalism. In: Plehwe D and Mirowski P (eds) *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*. Cambridge, MA: Harvard University Press, pp.415–455.

Mirowski P (2013) *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. London: Verso.

Owens D (1995) The Button plan in retrospect. *Economic Papers: A Journal of Applied Economics and Policy* 14(3): 69–79.

Potter B (2013) Hockey dares GM to leave. *Australian Financial Review*. December 11. Available at: https://www.afr.com/companies/manufacturing/hockey-dares-gm-to-leave-20131211-iyoj2 (accessed 1 November 2020).

Priestley M (2010) How green is the Green Car Innovation Fund?. *Background Note*. Parliamentary Library. Parliament of Australia 27 May Available at: http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/0910/GreenCar#_Toc262712631 (accessed 1 February 2019).

Productivity Commission (2002) *Review of Automotive Assistance*. Canberra, ACT: Australian Government Publishing Service.

Productivity Commission (2003) *From Industry Assistance to Productivity: 30 Years of 'the Commission'*. Canberra, ACT: Australian Government Publishing Service.

Productivity Commission (2011) *Trade and Assistance Review*. Canberra, ACT: Australian Government Publishing Service.

Productivity Commission (2013a) *Review of Australian Automotive Manufacturing Industry*. Canberra, ACT: Australian Government Publishing Service.

Productivity Commission (2013b) *Australia's Automotive Manufacturing Industry: Preliminary Findings*. Canberra, ACT: Australian Government Publishing Service.

Productivity Commission (2014) *Australia's Automotive Manufacturing Industry. Inquiry Report No. 70*. Canberra, ACT: Australian Government Publishing Service.

Richardson D (1997). Protection in the motor vehicle industry. Current Issues Brief22. Parliamentary Library. *Parliament of Australia*. Available at: https://www.aph.gov.au/sitecore/content/Home/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/CIB/CIB9697/97cib22 (accessed 1 February 2019).

Rudd K (2008) Remarks at the launch of the new car plan for a greener future. *Melbourne*, 10 November. Available at: https://webarchive.nla.gov.au/awa/20141217123342/http://pmtranscripts.dpmc.gov.au/browse.php?did=16230 (accessed 1 November 2020).

Rugman AM and Collinson S (2004) The regional nature of the world's automotive sector. *European Management Journal* 22(5): 471–482.

Schubert M and Altman C (2000) Bracks 'bought Holden' for 60m. *The Australian* 14: 4.

Stanford J (2017) Automotive surrender: the demise of industrial policy in the Australian vehicle industry. *The Economic and Labour Relations Review* 28(2): 197–217.

Sturgeon T, Van Biesebroeck J and Gereffi G (2008) Value chains, networks and clusters: reframing the global automotive industry. *Journal of Economic Geography* 8(3): 297–321.

Taylor L (2013) Tony abbott declares an end to 'corporate Welfare'. *The Guardian*, December 18. Available at: https://www.theguardian.com/world/2013/dec/18/tony-abbott-declares-an-end-to-corporate-welfare (accessed 2 February 2019).

Trounson A (2006) Prime minister gives Ford $52 million injection. *The Australian* 6–7: 33.

Wallace R and Ferguson J (2014) Toyota to stop making cars in Australia, follows ford and holden. *The Australian*, 10 February. Available at: http://www.theaustralian.com.au/business/news/toyota-to-stop-making-cars-in-australia-follows-ford-and-holden/story-e6frg906-1226822823246 (accessed 1 February 2019).

Wright CF, Clibborn S and Lansbury RD (2011) Becoming an endangered species? The future viability of Australian automotive manufacturing. *International Journal of Automotive Technology and Management* 11(2): 172–188.

Author biography

Tom Conley is a Senior Lecturer in Political Economy in the School of Government and International Relations, Griffith University, Nathan, Queensland.