

INQUIRY INTO EMPLOYMENT. AUTOMOTIVE COMPONENT
MANUFACTURING SUBMISSION

Name James Carney

Occupation: Self Funded Retiree former Administration Manager of a small business [40 staff]

Reason for submission: I am a fifth generation Australian, veteran from the Korean war and I am concerned for the future of my [and others] grandchildren].

Education: I left school at the end of 4th year but I was near the top of my class and have been a student of history and business all my life. My father was a labourer but I became a Company Director at age 33 years.

Do I have any vested interest: No just a desire to help my country and its employees and defence.

Comments: Motor Vehicle Manufacturing is primarily located in South Australia as are many component manufacturers.

As recently as Friday the newspapers mentioned the birth of the 4,000,000 resident of Queensland and said that growth states were Queensland and Western Australia. Adelaide and South Australia were not expected to grow significantly yet these are areas where we need jobs and investment.

Newspapers also report the growing sale of foreign cars and this will also devastate employment in South Australia but not necessarily those of resources exporting states.

Australian car manufacturer's sales are declining as a percentage and this is one reason why they have to import cheaper components. To stop the cheaper imports would only cause an increase in fully assembled car purchases. Eventually jobs would be lost anyhow.

To me a bigger issue, than unemployment, is the demise of the entire car manufacturing industry as even Holden and Ford have to swing to cheaper imported Korean and Chinese models. This has serious consequences not only for employment, but balance of payments, overseas debt and defence. Australia loses taxation from car component and manufacturing employees wages.

May I refer you to the book, "The Rise and Fall of Great Powers", By Paul Kennedy. Research has shown that no nation can defend itself without a manufacturing industry and low overseas debt. Australia is well on the way to a massive overseas debt and perhaps not able to cloth an army let alone supply vehicles, guns and armour. We have to stop somewhere. What are we going to do, stand on Bondi Beach with no clothes other than a hat, made in Kempsey and throw iron ore and coal at an enemy?

Political decisions appear to be made; in Australia, with the next election in mind but someone has to look to the future. We are a large continent with a small population and near our shore are countries where population and manufacturing is growing. We can hardly say to Korea, India or China." Buy our coal, gas and iron ore but we will not purchase your cars or component". If I had the problem I could find a way by copying other countries [e.g. every overseas component could be checked individually for safety and every new car strict conditions applicable to Australian standards]. This has been done elsewhere, one country checked one item per hour and the testing station was in the centre of the country with high freight rates. We supply shipping berths for cars, do they have to be good and strike free. There are a lot of people smarter than I am who could find an answer.

CONCLUSION; Restrictions and tariffs will not work for both political reasons and because Australians will buy fully assembled cheaper imported cars.

Winston Churchill said that, "We never outfought Japan and Germany, we out produced them". Without a manufacturing industry we are defenceless by Churchill's definition. We can, of course just rely on the United States but in WW11 we relied on Britain and lost an entire division in Singapore. We went to Korea with British Meteor Jets and were shot out of the sky. Our rifles were WW1 vintage but at least we did have rifles and small arms factories [now closed].

We have to find a way to maintain employment in the car component industry, the fully manufactured car industry and indeed all industry. If we cannot find a way we have the wrong people in government and government employ. Do those conducting this enquiry want their children to be making beds and driving taxis for tourists.