

Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia.

In the interests of Australia as a sovereign nation, for my generous fellow countrymen and women and our children, and for our realization of the opportunities lost to us, I am forwarding this submission.

For the purpose of substantiation I will explain some of my past experiences.

I am 44 years of age; I am from the grain growing area of Western Australia.

My family has been producing agricultural machinery for over thirty-eight years. My father Laurie Phillips is a great innovator and indeed a giver of opportunity to all those around him. He is now 70 years of age, still producing machinery and opportunity for others.

During the late 1970s and early 1980s his company Phillips Merredin produced the Acremaster four wheel drive tractor. Some of you may recognize this name.

Sometime in 1980 his company fell into financial difficulty. This I believe was bought about by the combination of several factors. There was I remember a quantity of components including large engines, gearboxes and axles in stock ready for the next few months production. This no doubt had a negative effect on the cash flow. At this time we experienced some drought years and if I remember there was a rise in interest rates at this time. As the pressure was on, my father decided to look for some capital and bought a partner into his business. For a couple of years, during which I was apprenticed, we carried on building Australian tractors for Australian farmers. My father had on the drawing board at this time some designs for large planetary axles. His idea was to have these components built in Australia. These components would, in his mind, have been suitable for use in the mining industry used as a component in the building of ore carrying dump trucks. Remember also we had Chamberlain Tractors manufactured in Perth. We also had Waltana Tractors manufactured in the Eastern States.

Australia now imports all its tractors and heavy mining and earth moving machinery.

#### Politics.

American manufacturers were losing sales in Australia. For some **reason**, I understand, Australian authorities raised the import tariffs on our imported components rendering the Acremaster Tractor uncompetitive in pricing. Some of the components built into the Acremaster tractor were sourced from the Rockwell factory in Melbourne. Rockwell ceased its operations around this time and these components were no longer available. Chamberlain Tractors were also in trouble. Shares were sold to John Deer and for a short period of time, during which the company was called Chamberlain John Deer, **John Deer acquired a nation wide dealership network**. Now its just John Deer. **Too easy!**

As Phillips Merredin went into receivership, Laurie Phillips partner no doubt became insecure and took measures to protect his investment. This is where Exim and the Department of industrial development came onto the scene. My father lost his interest in his creation but avoided bankruptcy. After futile efforts by this new entity to keep the Acremaster tractor in production the name was sold to machinery manufacturer Horwood Bagshaw. Those employed by Acermaster Tractors Merredin Western Australia were made redundant. During this time a proposal was put to my father to create another company. This was to be a company with shareholders who had a vested interest in the production of agricultural machinery. These people were farmers and their business associates. The Company was named Farmers Tractors Australia. Farmers tractors Australia Produced a number of large four wheel drive tractors which were given the name Pheonix, until there was no way to compete with imported machines. My father went on, with the help and ideas of others, to develop for the company a new type of harrow that was instrumental along with other technologies in changing the practices of Australian Farmers. We no longer have the massive dust storms of past days. My father successfully protected this machine design and holds an international patent, which proved to be lawfully secured. Unfortunately, **and this is where I make my point**, this company Farmers Tractors Australia fell into financial difficulties. Some of the major investors had acquired substantial debt. We had a period of drought yet again. **Even I know and the knot in my stomach will not let me forget that some years are good and some bad. There is not always growth, in the wheat fields; in the manufacturing industry or in the rate at which we mine minerals from the ground and the price we get for all this. The company directors were in trouble and the only tangible asset of any value was the patent my father owned. The decision was made to offer this patent for sale to Horwood Bagshaw, effectively pulling the rug out from under any future prospects of employment at Farmers Tractors Australia, a significant employer in our small town of Merredin.** **At this time and in my younger years I thought this decision was almost an act of treason.** I still remember well the phone call I made to my father imploring him not to let this happen. He heard me this time and contacted his lawyer. His lawyers had to convince the Supreme Court here and in Canada that he legally owned this patent and could lawfully exploit the rights and carry on with business. My father created a new company, Phillbourne Manufacturing. His company employs about thirty people and is operating today in Merredin Western Australia. My father is still designing machinery and creating opportunity for those around him.

Our family lives a basic life with relatively few luxuries.

Our family is somewhat secure in employment and resources. We have energy to spare for the help of others in Australia and elsewhere.

I supported my father and my conscience regarding the other people involved was somewhat clear. Nobody was going to starve or be thrown out in the cold.

**I have been around long enough to see the strategies employed by the executives of private companies, public companies and government entities in their quest for survival.**

Their quest to survive or retire sometimes obscenely wealthy, leaving behind a creation that has become totally dysfunctional and with shareholders losing their security.

**To me these are strategies of the past still being used on the young and naïve.**

**A government that allows the employment of these strategies to me is a government that fails its people in the most fundamental ways.**

I fear that a government who allows the mineral wealth of Australia to be controlled by a foreign country, and indeed a foreign culture, will have very little or no influence on the future security of the people it represents

We may feel backed into a corner with challenges arising on all fronts.

Fellow Australians, so far we can be proud of the fact that we are secure. Secure and stable enough to be of help and support to those around us.

We are not experiencing a recession we are having a shake out. We need to stop for a while and gather our senses.

We need to accept a slowdown and a change of lifestyle.

It is human nature, indeed the nature of all living beings to survive.

It is also human nature in some degree to dominate over others.

It is in human conscience that we look after those around us

We cannot afford to lose control of our basic security.

**Nobody is going to starve in this country or be thrown out in the cold.**

Wayne Frederick Laurence Phillips,  
Director, AV Engineering,