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Press release: car industry

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PRESS RELEASE FROM THE PREMIER, MR. DUNSTAN.

CAR INDUSTRY.

27.8.74,

Recommendations of the Industries Assistance Commission on the passenger motor vehicle industry could cut employment in the industry in South Australia from 23,000 to 8,000 by 1980, the Premier, Mr. Dunstan, warned today.

"This is a disastrous situation," he told State Parliament.

Mr. Dunstan was making a special Ministerial Statement on studies of the I.A.C. recommendations by a special group of senior State Government officers.

The group had extensive consultations with both the vehicle manufacturers and firms making componentry for them.

The I.A.C. reported to the Federal Government.

The Premier also revealed that the State Government would be putting forward an alternative scheme to reach goals similar to those sought by the Commonwealth without any severe loss of jobs.

The study group said the I.A.C. report was a competent document but criticised its findings in a number of specifics.

- * The I.A.C. believed the market available to local manufacturers would be 286,000 by 1980. The Adelaide group estimated it would decline to 210,000.
- * The study group said the I.A.C. conclusions on local content seemed to be based on a lack of understanding of the practical problems of industry reorganisation.
- * It had also underestimated the level of employment involved.

The I.A.C. had estimated that its proposals would reduce employment across Australia by some 2,000 over a decade, and expected no significant problems in Adelaide.

But South Australia was heavily involved in componentry as well as actual vehicle manufacture.

The group had spoken to all major manufacturers and representatives of the componentry industry.

"The Committee has said that, if the scheme as recommended to the Commonwealth Government by the I.A.C. is adopted in South Australia/^{employment} within the motor vehicle industry and its suppliers could be reduced to 8,000 from the present level of 23,000 by the year 1980".

The Premier declared: "The fundamental question of whether Australia wants a motor vehicle manufacturing industry (rather than a small assembly operation) at all needs to be answered.

"If the answer is yes, then the implementation of the I.A.C.'s recommendations cannot be countenanced."

The study group believed the proposals - if adopted - would not sustain a viable industry in Australia which achieved a high Australian content, and which was well located for social, employment and environmental purposes.

These objections were in the I.A.C. enquiry's terms of reference.

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