

MITSUBISHI MOTORS

12 February 2008

The Hon. D.G.E. HOOD: Under recent questioning in the Budget and Finance Committee, the Department for Families and Communities informed the committee that it had a total of some 1,174 vehicles in its fleet as at 31 July last year. Of these 1,174 vehicles, some 49.3 per cent (or 579) were not manufactured in South Australia. Of those 579 vessels not manufactured in South Australia, 333 of them were vehicles of a type similar to the Mitsubishi 380 but were purchased from interstate and overseas manufacturers using South Australian taxpayers' money; indeed, using Mitsubishi employees' taxes.

Here we have one department, using South Australian taxes, which had the opportunity to purchase an additional 333 vehicles from Mitsubishi (representing around two weeks' full production of the 380 sedan) but which instead chose to buy interstate and imported vehicles to the detriment of Mitsubishi and its employees.

My questions are:

1. Given the figure reported by the Department for Families and Communities of 333 missed opportunities to buy South Australian made cars, how many thousands of missed opportunities across the whole of government to support South Australian manufacturing were there to 31 July last year?
2. What is the impact on the South Australian vehicle manufacturing industry of buying imported and interstate manufactured vehicles directly in place of South Australian made vehicles?
3. Will the government launch an immediate audit of the vehicle purchasing practices of all departments to ensure that a South Australian product is favoured in future?

4. In light of the fact that the only remaining vehicle manufactured in South Australia is the Holden Commodore and its derivatives, such as the Holden Statesman, will the government give a firm commitment that no direct competitors of the Holden Commodore will be purchased from interstate or overseas with South Australian taxpayers' funds to the detriment of the employees of Holden and the South Australian components supplier industry, and indeed the economy in general?

The Hon. P. HOLLOWAY (Minister for Police, Minister for Mineral Resources Development, Minister for Urban Development and Planning)

(16:20): The honourable member needs to be aware that there are, and have been for at least 20 years, agreements within this country that, in relation to the purchase of things such as motor vehicles, no preference will be given by states in relation to locally manufactured goods. If the larger states of Australia such as Victoria (which has car manufacturers) purchased no Mitsubishi or Holden cars but, rather, only Ford cars this state would suffer.

An agreement has been in place under a number of governments—I think it goes back to the 1980s, if not earlier—whereby states have agreed that they would not give preferential treatment. Notwithstanding that, I am aware that the proportion of Holden and Mitsubishi vehicles—Mitsubishi vehicles, in particular—purchased by this government has been much greater than the proportion of Mitsubishi vehicles that have been sold in the general workplace. Something like 10,000 Mitsubishi 380s have been sold in the past 12 months, and I believe something like 1 million cars are sold in this country, so the percentage of Mitsubishi cars is very small.

Certainly, I can recall a similar question being asked about 12 months ago, and, if my memory is correct, something like 18 per cent of the fleet was Mitsubishi—which was far greater than its share of the market at large. In fact, within the constraints of the interstate agreements, this government has been purchasing a

much higher proportion of local vehicles. The other point the honourable member needs to bear in mind is that many of the other imported vehicles are smaller.

This is so for reasons of economy. One of the reasons South Australian car manufacturing is suffering is that it has been focusing on large vehicles, which now comprise less than 25 per cent of the vehicle market. Clearly a number of agencies will need to purchase vehicles not made here. If small vehicles are appropriate for the department's use, they will prefer to purchase those, because they are less expensive to the taxpayer. Similarly, there will be other vehicles such as four-wheel drives and so on that are not made in Australia for particular departments.

Just 25 per cent of local vehicles manufactured in this country comprise the share of the marketplace, and that is one of the reasons, unfortunately, why Mitsubishi, with the 380 in particular, has met its demise. Nevertheless, this government has certainly done its part in purchasing those vehicles, with a disproportionate number being operated by agencies over the years. I am happy to refer that question to my colleague and get the figures on the number of Mitsubishi 380s and what proportion of the fleet they are, compared with the proportion of Mitsubishi 380s sold in the community generally, but I am sure it will illustrate that this government has, within the constraints facing it, been very generous in relation to the purchase of Mitsubishi vehicles.