

The Priorities of General Motors: Ditching Australia's Holden Cars

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Theme: [History](#)

It seemed to be a case of grand misrepresentation. Holden cars, those great Australian acquisitions, along with home, lawnmower and nuclear family, gave the impression of indigenous pride, the home brand. It was also resoundingly masculine. But behind that image was a mighty American thrust, with General Motors holding the reins on investment as benevolent parent happy to rebadge the car brand when needed. Poor returns would invariably mean rough corporate decisions untouched by sentiment.

Between 2002 and 2005, things looked rosy. Sales of 170,000 a year saw the peak of the company's returns. But Holden remained a distinctly parochial brand, incapable of moving beyond its Australian and New Zealand markets.

Breathing down the neck of GM's Holden operations was the realisation that other auto companies were doing their own bit of wooing. The Australian buyer, over time, developed a taste for other products. Japanese car culture, with its clever alignments with game culture, seduced and won over buyers. Vehicles such as the Mazda MX-5 impressed. Toyota became a mainstay and South Korea's Hyundai has proven more than competitive.

In 2017, GM ceased its manufacturing operations in Australia, a decision that was already promised by the company at the end of 2013. Then GM Chairman and CEO Dan Akerson [put it down](#) to those "negative influences the automotive industry faces in the country, including the sustained strength of the Australian dollar, high cost of production, small domestic market and arguably the most competitive and fragmented auto market in the world." Australian Prime Minister Tony Abbott [was less inspired](#) before his fellow parliamentarians, and did not "want to pretend to the parliament that this is anything other than a dark day for Australian manufacturing."

Australia had simply become too dear as a base, and the closure of the Elizabeth vehicle manufacturing plant in Adelaide [saw the loss](#) of 1,600 jobs. Melbourne's share was 1,300. What took its place was, in the sexed-up language of GM, "a national sales company, a national parts distribution centre and a global design studio."

The sweet promise of the transformation remained more aspiration than substance. The sale run in 2019 proved so poor that it saw the cessation of the Opel-based Holden Commodore and Astra in favour of SUVs. Such moves spelled doom for the entire Holden enterprise, and on Monday afternoon, February 17, auto-watchers witnessed an announcement by GM and Holden executives that Holden will close at the end of 2020. Some 600 workers will lose their jobs by June, leaving 200 to provide the relevant customer service for the 1.6 million Holdens that are still on the roads.

A glance at the promotional messages on the GM website should have worried any Holden fan. On February 16, [the company stated](#) in the cold language of the corporate boardroom that it was “taking decisive action to transform its international operations, building on its comprehensive strategy it laid out in 2015 to strengthen its core business, drive significant cost efficiencies and take action in markets that cannot earn an adequate return for its shareholders.”

GM President Mark Reuss was suitably cool in his statement. “After considering many possible options – and putting aside our personal desires to accommodate the people and the market – we came to the conclusion that we could not prioritise further investment over all other considerations we have in a rapidly changing global industry.”

The federal government was notified a mere 15 minutes prior to the announcement, the sort of brusque treatment one has come to expect from the car manufacturer. The treatment is even more stinging given that the federal government has, historically, been one of [the biggest single customers](#) for Holden cars. Prime Minister Scott Morrison felt slighted, but despite noting the provision of some \$2 billion for Holden over its existence, showed little surprise at behaviour he stopped short of describing as corporate vandalism. “I am angry, like I think many Australians would be. They just let the brand wither away on their watch. Now they are leaving it behind.”

Nowhere in the mournful tributes is the prowess of Holden cars, in all their ranges, mentioned. Family, sex and racing, yes, but nothing on the everyday competence of the products. Like relatives past their prime, they are celebrated as figures of mythology rather than the toilers of achievement. Former Holden worker Cara Bertoli [summed up the sentiment](#) of hope over corporate experience. “There were those rumours going around that yes, the brand name might eventually die off, but I guess it’s one of those things, when you’re loyal to the brand, you hope as much as you can that it doesn’t happen.”

Holden employees, on being interviewed, have shown consternation at GM. The alien parent, it was stated on ABC News Breakfast, had no idea about what a “home brand” might mean in terms of cars. Calls to the American offices were ignored; the parent seemed befuddled. Gary Mortimer, a professor of marketing and consumer behaviour at Queensland University of Technology, [saw the Holden](#) as lying at the “core” of a very Australian identity. “General Motors,” he rued, “took it away.” Australians may have fallen out of the love with Holden, but that was “because it fell out of love with us.”

Holden cars, repeatedly, tritely called “iconic”, have now lived up to that designation, a museum, or even church brand to be appreciated by collectors and the nostalgic. Any future manufacture, as the British car-dedicated program *Top Gear* [discovered](#) regarding the Jeep SRT Trackhawk, will be by American enthusiasts.

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