

Speech by Gideon Haigh, Author of “*End of the Road*”

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I don't know how long you've been holding such conferences, but I think I can say with confidence that I am the least qualified speaker you will ever hear from. I'm one of nature's pedestrians. I've never driven a car. I can fill a tank with petrol and a radiator with water, and that's about it. Apart from a school excursion to Ford in my hometown of Geelong, I didn't visit a car factory until a bit over 20 years ago: it was Nissan at Clayton and it was closing down, so that was a good start to my relationship with your industry.

Now, hey presto, I've written a book about it in a couple of months. But that, I'm bound to say, is the nature of journalism – an occupation where instantaneous expertise is our daily business; also a trade in constant risk of mistaking facility of expression for profundity of thought. Journalism teaches you that ignorance is no bar; it has to, otherwise we wouldn't write about anything. What I've done in approaching *End of the Road?* is what I do every time I write something: tried to forget what I might have heard and think I know, which is almost invariably wrong, and be receptive to the story as I find it.

So look: there's nothing I can tell you about your industry that you don't know infinitely better than I. I do, however, know *my* industry pretty well: I'm a battle-scared veteran of thirty years of journalism. And you know what? We've got a bit in common. Our industries are both in deep trouble. Barriers to entry have collapsed. The competition is ruthless. Our jobs are on the line. Every year we're having to do more with less. We're victims of expectations we ourselves helped raise. *We* kept giving our news away for free, then were puzzled when tried charging for it online and people said they didn't feel like paying. *You* kept making

better cars with more features and comforts more cheaply until you created some of the most spoiled and discriminating car buyers in the world. Nice work, us.

I've got to say that you guys have done a much better job of maintaining your quality than we have. What we do now, I'm ashamed to say, is really mediocre. But we're what you've got and, as I'll explain, we have some influence, entirely undeserved, on your future.

To begin with, just a bit of background to how this came about. Back in April, I was asked by the editor of *Good Weekend* magazine to write what he called 'the definitive piece about the car industry' in 2000 words. Actually I was offered a celebrity interview, a personality profile, or the cars. I said: 'The other two are easier but boring. I'll take the cars, but it won't work at that length.' He said I take a maximum of 4000; I said then that's what I'll have.

It was still too short to tell the tale satisfactorily, so after a few weeks I mentioned to Penguin that I thought maybe a short book was in order – nothing fancy or clever, just a basic overview for a lay reader of the kind I found generally lacking in my survey of the existing literature, to give a sense of where the industry had come from, where it was at and, perhaps above all, what it was like.

The first two of these were pretty easy, the third quite difficult. As a journalist, you're ever the tourist. You're always just visiting, you can never completely free yourself of preconceptions, you can never really get past surfaces, you tend to adopt others' impressions as your own. You are also at the behest of editors with their own precooked notions.

Certainly, I gathered that GW wanted something like an elegy – metal bashers on the scrapheap, unable to compete with clever cheap yellow people. But while it took a little while for me to

wrap my mind around the story, it pretty soon became clear that the clichés were just that – stood up to, they crumbled, as when you confront a bully who’s a coward at heart.

Between the popular rhetoric about the industry as a kind of bloated, bludging smokestack and its quotidian reality as a dogged pursuer of excellence and provider of livelihoods fell a gap of perceptions almost unbridgeable. Familiarity may have spoiled this for you, but this is a fun industry to be around – one with resilient, motivated and dedicated people who don’t have a huge problem getting up in the morning, where careers can be built and lifetimes spent. In fact, as I said when I was interviewed on *The Drum* a few months ago, people in automotive seem to whinge about their jobs far less than people in the media.

The trouble is, of course, that the general public don’t know very much at all. It’s not that they know nothing; it’s worse, because they know *some* things, which they’re inclined to overemphasise. They know that sales of Australian-made cars are dwindling; that the same is true of jobs; that government in an effort to tide the industry over has invested taxpayers’ money alongside it. They’ve also acculturated the idea that competition and private capital is always efficacious, that government is hopeless at whatever it does – actually even quite a lot of government believes that.

The industry is beset, what’s more, by several communities of interest whose views are as prevalent as they are entrenched. First of all, of course, there is the conservative and libertarian army that says: ‘Taxpayers’ money is sacrosanct, and if it must be collected at all should be put in a locked box on a very high shelf until it is either applied to a budget surplus and/or returned to everyone through tax cuts.’ Its artillery is the Productivity Commission. Its infantry are the thinkalike bank economists who couldn’t see the greatest postwar financial crash coming but somehow retain their credibility. Its cavalry are the so-called ‘policy analysts’ of the free market think tanks trailing banners adorned with images of

Ayn Rand and FA Hayek. This lobby is skilled and tireless at demonizing its enemies, and you are no exception.

Then there are the sentimental centrists who still worship at the altar of Paul Keating, whom they regard and having led us to the sunny uplands of a services economy in which we have no need for the trappings of the 20th century. I think my favourite quote of this book is one from about twenty years ago by Keating, when asked what had become of those displaced by industrial restructuring. 'People have found better jobs,' he replied. 'I mean, did we ever hurt anybody liberating them from the car assembly line?' Consider the cultural undergirding of that remark. 'Liberation'? This is not Paul Keating as economist but Paul Keating as emancipist, a Lincoln or a Wilberforce.

Now, if we're honest, we can confess: manufacturing of cars and components was once a grimy job, of hit-and-miss quality and us-and-them workplace relations. Some aspects were worth liberation from. But that's a long time ago. We all know that things are different. We also know that perceptions lag reality. As I wrote in *The Age* this week, the only time you'll see a factory or a plant on television now is in a Worksafe advertisement, where they are depicted as only slightly less dangerous than booby-trap strewn minefields patrolled by rottweilers with rabies.

There's lagging indicators at work in a third looseknit community too, which I might call the 'My friend Bill had a Holden and he told me the wing mirror fell off, therefore all Australian cars are shit' faction. There's a bit of a spirit of national masochism about the quality of Australian cars which goes back to the days when imports were expensive and superior, and we measured EH Holdens against Mercedes and found them wanting. Somehow the story about a mishap with an Australian car is related to its being an Australian car, whereas a mishap with an imported car is related to misfortune and dismissed as an isolated incident.

Then there's the media, whose suspicion of the industry arises not so much from outright hostility as intellectual apathy. As Desmond Hackett of the *Daily Express* once put it, the object of journalism is to get the story and draw the facts towards it. The media has its story: sunset industry, foreign competition, wages too high, unions probably to blame. You're probably familiar with the phenomenon of confirmation bias. We in the media are slaves to it, and we will interpret everything to do with this industry according to these clichés and received wisdoms. Even where reporters and pundits are not obviously partisan, you will find them referring to 'subsidies' and 'handouts', which are always being either 'poured in' or 'shovelled in' or 'forked out', as though vast sluiceways of taxpayers' money are permanently agape, great tiptrucks of cash are turning up at factory gates, and brown paper bags of bucks are being lobbed over their cyclone fences. If we stop making cars, furthermore, the capital and labor will 'flow' naturally into other more productive parts of the economy like...well...we haven't thought of that but, like Mr Micawber said, something will turn up.

The media is a great one for emotive language, and to jazz up something as apparently grey and chock full of numbers as a story about industry it is almost essential – to extent of it becoming a kind of passive aggression. The story the media is telling at the moment is the industry as a bunch of parasites and mendicants, and it's one, I'm afraid, in which the carmakers have colluded – I think that Holden's 'more money or we're out of here' tactics have tested the public's patience.

Fortunately for you, the Australian public is not capricious. In fact, it's slow to rouse, and there's still a public to be won here. A few people in the media have challenged me about the Vote

Compass data in August that showed 43pc of respondents in favour of reduced support for the car industry, 20pc in favour of more.

Interestingly, they never thought that other polls I've seen in favour of support were all that telling – which goes to the confirmation bias I mentioned earlier. And when you actually look at the results, they're actually nowhere near as definitive as that. For one thing, only 22pc wanted much less support – for a self-selecting sample, naturally skewed in favour of the politically engaged who would tend to look for politicians to change things, the fact that the biggest group favoured no change is pretty revealing.

Like I said, I think people are being worn down by the negativity of the portrayal of the industry. But I also think that they're proving pretty resilient. They won't be rushed. It's been a long time since they've heard much good news about this sector, but I still suspect they'd be very receptive to it.

So where to from here? The forces arrayed against you are formidable. If you're going to resist, you need to bring the battle onto ground that favours you. To be a buzzword that I detest but is nonetheless useful, you need to reframe the debate. How you do it is your call. But here's one thought that occurred to me while I was writing. For probably forty years in Australia – I'd date it from the election of Gough Whitlam – policies in Australia have divided into two neat piles: economic and social. Your economic policies are taxes, trade practises, tariffs and the like; social policies are now things like gay marriage and disability insurance. They have worked together only insofar as social policies have needed designing to repair damage inflicted by economic policies.

The idea we've chosen to ignore is that your economic policies *are* your social policies, insofar as they favour some, discriminate against others, make some richer, some poorer, privilege certain

skills, render others redundant, in providing flexibility for some engender insecurity among others.

As a result, the rhetoric around working in that time has changed. The dominant conversation about employment in this country has been about its opposite: unemployment. Jobs are a numbers game. The task of politicians is to reduce the percentage of those without work by any means at their disposal, fair and foul. In doing so they qualify so be known as sound stewards - 'good economic managers', as they say, as though the whole country is one big industrial concern, Australia Inc.

Except that people in the services economy have started to notice something over the last decade or so. Their jobs suck. Their work is boring, mundane, insecure, and often relentless. They're waiting tables. They're flipping burgers. They're manning phones in call centres. They're slaving in offices. If they're journalists, they're lashed to the wheel of the 24-hour news cycle, and barely able to rise from their desks. They're being exhorted to work more, later, harder, longer – it's the way to get ahead. Except it turns out that everyone else is doing the same too, so it's unavailing. The conditions are poor, the protections are limited, contracts are short-term, weeks are fragmented. The young think it will be temporary, and after all they're all going to be supermodels and gangsta rappers; the older still think it might go back to the way it was, and are sustained by more pleasant memories; the rest have reconciled themselves to working for the man.

I was put in mind of that early in my work when I went out to the outer suburbs to visit a component maker. Unprepossessing site. No bells and whistles. Inside, as so often, immensely interesting – dedicated people, precise work, problem solving mindset, cost conscious culture. Anyway, I've got a date for lunch with an economist – smart guy, conversant with the industry and its issues.

He leans back and says: ‘What you have to understand, Gideon, is that automotive is very monotonous work.’

With the memory of my morning still fresh, I look around the restaurant, and spy the waiting staff, all dressed in white, all standing by, looking bored out of their brains. ‘Are you sure?’ I asked. ‘Because, y’know, it’s the people here who seem to be doing monotonous work; the people I’ve come from seeing, they actually looked pretty stimulated by what they were doing.’

Despite this we go on looking at employment in terms of quantity. What we’re overdue is a national conversation about quality of work. Whether the employment this economy generates is interesting, stimulating, varied, challenging. If I was to make a single suggestion to you today, it would be to think of yourselves as producing more than just widgets; what you also produce is work, good work at a fair wage promoting better citizens, closer families and social cohesion, that in the long-term actually imposes on taxpayers fewer social costs. In doing so, you move the battle onto a salient where the armies of the policy analysts and economists have less traction, because they know that their ideas cause massive social dislocation, and don’t like to be reminded of it. Remind people, too, that this is more than a social justice plea, that workers with jobs at a reasonable wages have money to spend and to save, from both of which the economy benefit.

Funnily enough, you may be a better chance of conveying this message to the new government than the old, because it was the Coalition during the 1950s and 1960s that showed the clearest conception of the interleaving of economic and social objectives, protection having a fundamentally redistributionist purpose. It’s unfashionable now, if not discredited, but its ends were legitimate, and the needs it addresses did not disappear: if you want people to stand on their own two feet, to feel empowered and autonomous as well as relaxed and comfortable, then you have to give them

ground beneath. A precondition is the availability of good work, providing financial security and psychic contentment.

When you're talking to your next coalition politician, by the way, you might want to remind them that when they showed their firmest grasp of this, they held the reigns of government for 23 years. That's a language they understand. How much better for us all if people voted for the status quo out of satisfaction rather than fear.

Anyway, that's all I really wanted to say. One last thing. It's frustrating for you, I know. In terms of public perception, you feel like you can't get across what you're selling. But here's the thing: there's nothing wrong with the message you're selling. It's a good story, a story you can believe in. How much better is that than the bunch of bollocks most folks, political parties included, have to sell. I feel good about telling this story. You should too.