

Holden shutdown: General Motors international boss Stefan Jacoby says Australia is better without car manufacturing

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AUSTRALIA is better off without manufacturing and government incentives are no way to form a business, says Stefan Jacoby, the international General Motors executive who announced the closure of the Holden factory.

In another startling revelation, Mr Jacoby also claims Mike Devereux, the Holden boss who fought to save Holden's assembly line for two years and pushed for an increase of more than \$200 million in government funding, was in fact in favour of the shutdown.

Speaking to Australian media in Detroit, Mr Jacoby was asked, with the benefit of hindsight, did General Motors make the right decision to close the Elizabeth facility.

"I think so. You have identified me as the one who made the call for stepping out of manufacturing in Australia. Yes, I am the guy who made finally this decision and presented this to the board," said [Mr Jacoby](#).

"But I am of the strong opinion that this was the right thing for Australia and this was the best thing for Holden overall," said Mr Jacoby, even though 1400 Holden factory workers will be out of a job within the next three years.

Mr Jacoby said the reduction of import tariffs and the Federal Government's decision to sign more Free Trade Agreements signalled the end for Holden's factory in Elizabeth in South Australia and the engine plant in Port Melbourne.

When asked if he disagreed with Mike Devereux's public push to save the factory and secure an increase in government funding, Mr Jacoby said: "I didn't know about that ... I didn't think he was a supporter of local manufacturing. I think Mike was supporting me in the decision to make the call actually to step out."

Mr Devereux was unavailable for comment as this article was prepared. But Mr Jacoby said the decision to close the Holden production line was inevitable.

"The decision was not made based on government policy. With or without government incentives, it doesn't pencil," he said. "Even if you add all the (government) incentives ... it doesn't make sense to produce (cars locally)."

Mr Jacoby said it was wrong to base a business decision on government incentives alone.

“You cannot make that business case,” said Mr Jacoby. “That’s the wrong decision.”

Mr Jacoby added: “It was not a coincidence that our friends from Toyota followed (with a factory shutdown announcement) more or less two months later”.

“Do you think they just (said) ‘Holden made this decision, now we have to make a decision as well’. No they had this in their pocket as well.”

Mr Jacoby said it was important to be transparent with Holden workers, dealers and customers.

Holden research shows many Australians believe Holden dealerships are also closing when in fact the Holden name will stay and will instead become solely a vehicle importer.

“I think I have underestimated the uncertainty of our consumers and maybe from the very beginning we should have made more efforts to clarify that the decision to wind down our manufacturing has nothing to do with our presence as well,” said Mr Jacoby.

“The major concern of our customers is our commitment to stay in Australia. We have not communicated strong enough. Holden is an iconic brand and would be stupid to give this up.”

Meanwhile Holden is still without a boss after Gerry Dorizas left suddenly four months ago — after barely six months in the job. Mr Jacoby confirmed that Mr Dorizas resigned for "personal reasons" but the two agreed to an "exit package".

The president of General Motors, Dan Ammann, says Holden will appoint its sixth boss in six years by the end of March.

“We will pick the best person for the job,” said Mr Ammann. “We are keenly aware of (the high turnover) ... our goal is for that not to continue.”

When asked if the new boss of Holden will be an Australian for the first time in 25 years, Mr Ammann said: “We’ve been moving more in the direction across the company of having local managers. There is a lot of reasons why that’s a good thing. But at the same time we will find the best possible person we think can run the business for the long term.”

The last Australian to run Holden was the late John Bagshaw, between 1987 and 1990.