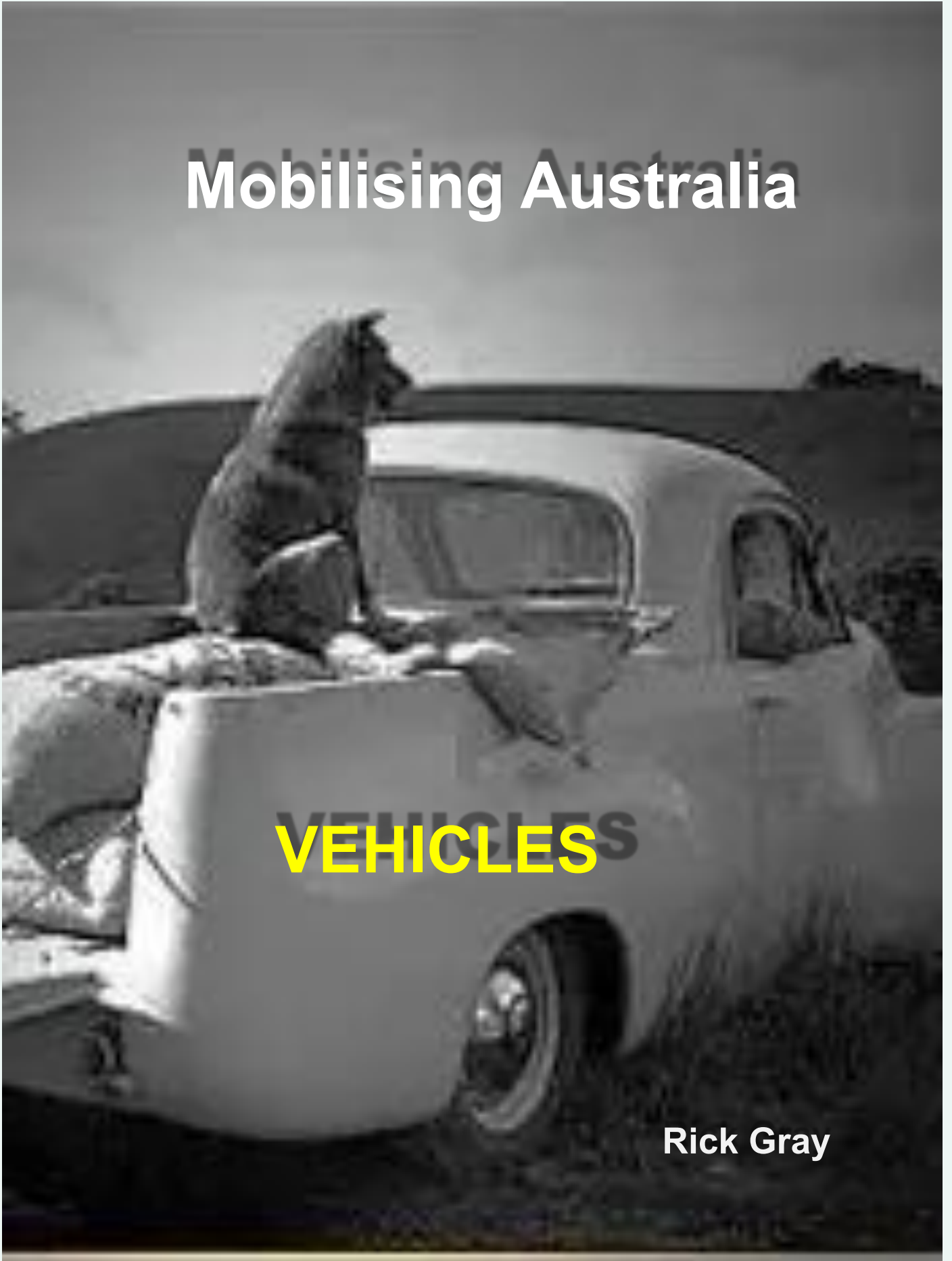


Mobilising Australia

VEHICLES

Rick Gray



CONTENTS

CONTENTS	2
MOBILISING AUSTRALIAN VEHICLES.....	3
HISTORY	3
TODAY	4
First Tier	4
Second Stage Manufacturers	5
Small Scale Manufacturers	5
Data.....	6
THE FUTURE	8
Justification	8
Implementation	9
The Strategy.....	9
MOBILISING VEHICLE MANUFACTURING.....	10
Government	10
Strategic Partnerships	12
Strategic Industries	12
Automotive Industry Hub.....	12
Case Study: Fees.....	14
Case Study: Nissan	16
Case Study: Electric Vehicles.....	17
CONCLUSIONS	18
MOBILISING – VEHICLES	19
THE LAST WORD	20
The Author	21
Photo Credits	21
References	21

MOBILISING AUSTRALIAN VEHICLES

The Holden FJ Ute is a legendary symbol of Australia's automotive heritage and a fitting starting point for this chapter. The history of vehicle manufacturing in Australia is like exploring the age of the dinosaurs. The golden era of the Ford Falcon and the Holden Commodore is now a historical anecdote, remembered with nostalgia by those who experienced it and viewed with museum-like curiosity by newer generations. It is a worthy case study of what once was – the consequences for the nation today - and a pointer to where we need to be tomorrow.

A personal anecdote best illustrates the impact of the lack of a sovereign car manufacturing industry. A few years ago, my daughter needed a replacement passenger-side mirror for a common, a few years old, brand. Alas, going to the local wrecker, who once upon a time would dig up a replacement from the Mad Max collection in his backyard, was no longer an option. It was off to the local dealer, where I was gleefully informed that a replacement mirror meeting all Australian safety requirements would cost me \$1300 plus GST. I retreated in shock, poorer for the experience but much better educated about the unintended consequences of global supply chains! This is the norm in Australia today and a direct result of having to import every nut and bolt, as well as all spare parts, from foreign vehicle manufacturers.

HISTORY

The automotive industry was once a vital part of the Australian economy, particularly in Victoria. Ford was the country's first major car manufacturer, and in 1948, Holden, a subsidiary of General Motors, produced the FX Holden - the first Australian-designed, mass-produced car. Car manufacturing in Australia peaked in the 1970s, with nearly half a million cars produced annually, placing Australia 10th worldwide. Production remained above 400,000 units in 2004. In its heyday, Australia was among only 13 countries capable of designing and developing mass-market cars from scratch.

By 2009, total production had fallen to about 175,000 units, with imports from Asia and Europe primarily meeting the Australian market's needs. By 2015, the industry comprised Ford, Holden, and Toyota, all producing Australian-designed vehicles. However, Ford's engine and vehicle plants closed in October 2016, and Holden and Toyota factories shut down in late 2017. Today, only Ford's design and development facilities remain active.

Following the closure of major automotive assembly plants such as Holden, Ford, and Toyota, Australia has transitioned from full-vehicle production to manufacturing specialised components and aftermarket systems. Emphasising clean and green manufacturing practices, fully imported electric vehicles (EVs) are rapidly gaining market share, propelled by government policies, subsidies, and environmental ideology.

Different types of vehicles provide mobility for consumers, commerce, industry, logistics, emergency services, and defence. Maintaining a sovereign vehicle sector is

vital for backing the Australian economy, maintaining resilience during global disruptions, and promoting future economic growth.

Interestingly, although large-scale manufacturing has ceased and public perception has shifted, Australia's vehicle industry persists in the hands of niche businesses. Currently, a new wave of innovative specialist manufacturers, led by a new generation of entrepreneurs, is establishing the industry's new foundation. Furthermore, emerging global trends offer promising prospects for future expansion.

Australia's original car industry grew through:

- Import restrictions and tariffs (1902–1970s).
- Complete knock-down assembly (Ford Geelong 1925; Holden Fisherman's Bend 1931).
- Local body manufacturing (Holden Motor Body Builders).
- Government procurement (post-WW2 demand).

These levers created a domestic industry that peaked at about 500,000 vehicles/year in the 1970s. A modern reboot must use updated versions of the same levers.

TODAY

Today, the leading automotive manufacturers are subsidiaries of international companies, mainly assembling heavy vehicles or supplying parts to the global supply chain, such as Kenworth, Volvo, and Nissan. The second tier comprises boutique muscle-car manufacturers like Brabham, Elfin, and Bolwell. The third tier focuses on customising vehicles for niche markets. All these companies are commercially active, employ substantial staff, and either produce at an industrial scale or have the capacity to do so given the right circumstances.

First Tier

Kenworth Australia is a wholly owned subsidiary of Paccar Inc. It is the largest single-brand truck manufacturer in Australia. The company began Australian production in 1971 at its Bayswater, Victoria, facility, focusing on heavy-duty semi-trucks tailored for the Australian and New Zealand markets. In 2018, Paccar launched DAF truck assembly at a site adjacent to Kenworth. Over 90,000 Australian-designed and built Kenworth trucks have been delivered to local operators. Paccar Inc. is an American public company that manufactures heavy-duty trucks. It operates subsidiaries including Kenworth, Peterbilt, and DAF Trucks. Headquartered in Bellevue, Washington, PACCAR also provides financial services and industrial parts.

Volvo Group Australia began local production in Wacol, Queensland, in 1972. Following the April 2000 acquisition of Mack, the two brands were consolidated into a single Wacol facility, which is now Australia's largest vehicle plant. Volvo Trucks assembles heavy-duty models, including the FH, FH16, FM, and FMX, at this site. Since 1972, more than 80,000 Volvo trucks have been produced locally, supported by more than 800 employees and 90 Australian component suppliers. In 2026, Volvo began assembling Australia's first OEM electric trucks at Wacol, reaffirming its commitment to domestic manufacturing.

Nissan Casting Australia Plant (Dandenong South, Victoria) is Australia's leading automotive component manufacturing site, specialising in aluminium casting for global Nissan platforms. It produces a wide range of components for numerous Nissan models, demonstrating world-class casting and process capabilities in Australia. By integrating Australian-cast components into vehicles worldwide, Nissan provides Australia with significant leverage and visibility in international automotive supply chains.

Second Stage Manufacturers

These companies are not full manufacturers, but they do manufacture vehicles or conduct engineering-grade second-stage production at scale. Second-tier manufacturers share three characteristics:

- Industrial scale (hundreds to thousands of vehicles per year).
- OEM-grade engineering (crash testing, compliance, RHD conversions, fleet builds).
- Commercial continuity (multi-year production, export capability, formal OEM partnerships).

Walkinshaw Automotive Group is Australia's largest second-stage manufacturer. It converts 10,000+ vehicles per year (Ram 1500, Silverado, Toyota Tundra) to Right Hand Drive and builds performance variants and fleet-spec upgrades. It has a workforce of about 1,500 employees. Walkinshaw Performance is the authorised Holden Special Vehicles and Hummer tuning company.

Premcar is a high-engineering second-stage manufacturer with OEM partnerships and has a deep engineering pedigree from Ford Performance Vehicles. It builds Warrior program vehicles for Nissan (Navara Warrior, Patrol Warrior) and produces ~10,000 vehicles/year

RMA Automotive (Australia) is a global second-stage manufacturer with Australian operations that works with Ford, Toyota, and other OEMs on fleet conversions and special-purpose vehicles. Often grouped with Walkinshaw and Premcar as the "big three" of second-stage manufacturing.

ROEV is a fleet-focused EV conversion manufacturer that converts existing utes (Hilux, Ranger) into electric fleet vehicles. Not full OEM manufacturing, but significant engineering and production capability.

Small scale manufacturers

Australia's three main small-scale car makers are Brabham Automotive, Elfin Sports Cars, and Bolwell. They produce low-volume performance vehicles with domestic engineering, export potential, and long-term brand presence. These companies form the heart of Australia's remaining OEM-level manufacturing, alongside secondary manufacturers like Walkinshaw and Premcar, as well as emerging EV startups such as ACE EV Group.

Brabham Automotive (Adelaide) specialises in custom track-focused supercars like the BT62 and BT63. The company operates state-of-the-art engineering facilities and holds the highest market capitalization and international profile among Australian niche automakers. Their production involves ultra-low-volume, high-performance vehicles sold worldwide.

Elfin Sports Cars (Melbourne) produces lightweight sports cars, including the MS8 Streamliner and Clubman. It is Australia's oldest continuously operating sports-car manufacturer (since 1957). Maintains steady boutique production for track and road. Strong motorsport heritage and brand continuity.

Bolwell, based in Melbourne, manufactures composite-bodied performance cars like the Nagari 500. It is an Australian sports-car producer and a key supplier of composite parts to truck OEMs such as Kenworth and Iveco, though it does not produce commercial vehicles itself. Known worldwide for its design heritage and successful revival, Bolwell operates at very low volumes, yet remains part of the modern automotive ecosystem.

Spartan Motor Company is a low-volume performance manufacturer that builds the **Spartan** track car and sits between boutique and second-tier due to its higher production intent than that of pure supercar builders.

ACE EV Group is an emerging EV micro-manufacturer that produces small urban EV vans and delivery vehicles. It represents Australia's most advanced attempt at domestic EV assembly. Headquartered in Maryborough, Queensland, it designs and assembles compact commercial EVs locally, with assembly activities in Adelaide, Brisbane, and NSW.

Data

- New Registrations: ~ 1.2M in 2025 (Carsales, 2025).
- New vehicle value: ~ \$33B in 2025.
- Brands sold: 67 in 2025 (VFACTS, 2025).
- Revenue: ~ \$60B (indicative only).
- Employment: ~ 320,000 (AUSMASA, (2025).
- Businesses: ~ 5,000 (varies according to definition)
- Tyres sold: ~ 25M annually (IndexBox, 2024).

Government Initiatives

The Australian government backs the industry with various initiatives, such as funding research and development. Long-term industrial support is also encouraged through incentive programs including:

- **Future Made in Australia:** This Act offers \$22.7B in incentives.
 - **The National Reconstruction Fund Corporation:** This identifies transport manufacturing across all modes as a priority for sovereign capability. It supports
-

propulsion systems, batteries and power electronics, autonomous systems, and control software.

- **Defence Industry Development Strategy:** This program provides grants up to \$1M for SMEs to buy manufacturing equipment for defence-aligned production.

EV support

Federal Government Support (2026)

- **Fringe Benefits Tax (FBT) Exemption.** Saves employees \$10,000–\$18,000 per year on a typical novated lease. Covers running costs (registration, insurance, maintenance, charging) when salary-packaged. The FBT exemption is the single most powerful lever accelerating EV uptake in Australia.
 - **Luxury Car Tax (LCT) relief.** EVs under the fuel-efficient LCT threshold pay zero LCT, reducing upfront cost.
- National Charging Infrastructure Funding.** Federal programs (e.g., Driving the Nation Fund, ARENA grants) continue to co-fund all forms of charging networks.

Cost/Revenue to government

- 5% import tariffs.
- Direct subsidies \$40M.
- Lifted the threshold for Luxury Goods Tax for EVs.
- Forgone Fringe Benefits Tax \$25M.
- These measures will cost the government \$3.2B over the next 4 years and \$23.4B over the next decade.

State & Territory Support (2026)

- Most states closed their upfront EV purchase rebates (typically \$3,000) between 2023–2025. What remains is mainly registration discounts, stamp-duty exemptions, and charging-infrastructure grants.
- States have shifted from purchase subsidies to infrastructure support, focusing on charging availability rather than direct consumer rebates.
- EV adoption is increasingly driven by operational savings (fuel and maintenance) and fleet electrification, rather than upfront rebates.

<i>EV subsidies are a direct subsidy for foreign manufacturing - not Australian manufacturing.</i>
--

THE FUTURE

The future of Australia's vehicle manufacturing industry must answer two major questions before the country embarks on the journey to resurrect it. These are:

- **Justification** - do we need a vehicle manufacturing industry?
- **Implementation** – how could it be achieved?

Justification

The strategic value of vehicle manufacturing is exceptionally high - economically, technologically, and geopolitically. It is one of the few industries that simultaneously strengthen sovereign capability, industrial depth, supply chain resilience, and national productivity.

Vehicle manufacturing delivers economies of scale, technological capability, supply chain control, and sovereign resilience. It is a foundational industry that multiplies capabilities across other industries, such as energy, defence, logistics, and advanced manufacturing. Countries that manufacture vehicles also lead in battery chemistry, critical minerals processing, robotics, AI-enabled mobility, and advanced electronics.

Economic. The global automotive industry in 2025 is worth USD 2.6 T and produces about 100 million vehicles annually. Nations with vehicle manufacturing retain more value domestically across supply chains, metals, electronics, batteries, logistics, software, and services. Manufacturing clusters generate high-skill, high-wage employment and anchor regional industrial hubs.

This matters for Australia as a domestic vehicle industry would capture the approximately **\$33B** currently lost to imports and strengthen industrial regions in every state.

Technology Base. Global technologies are shifting from traditional mechanical manufacturing to EVs, with an emphasis on batteries, charging, energy storage, electronics, control software, lightweight materials, and robotics.

Supply-Chain Resilience. Vehicles move the nation, and local control over critical transport assets reduces exposure to global shocks (pandemics, geopolitical tensions, supply disruptions) and foreign OEMs for critical platforms.

Sovereign Capability. Vehicles have long moved beyond being relatively simple means of transportation and are now highly sophisticated machines that embrace all levels of technology.

Australia's National Reconstruction Fund emphasises the importance of transport manufacturing for economic resilience, logistics, and sovereign industrial capacity. It enables manufacturing to support defence, emergency responses, and national mobilisation, while also leveraging Australia's critical minerals and research strengths. With world-class deposits of lithium, nickel, cobalt, rare earths, and renewable energy, Australia holds a natural edge in electric vehicle and battery supply chains.

Defence and mobilisation. Vehicle manufacturing underpins defence logistics, military vehicle adaptation and rapid mobilisation capability.

Implementation

The vehicle manufacturing sector plays a crucial role in the nation's overall reindustrialisation efforts. While large-scale vehicle production has ended, small-scale manufacturing is well established, demonstrating its viability and pointing to the future direction. The next challenge is to scale up from this embryonic base.

Conventional wisdom holds that Australia's domestic market is too small to support large-scale vehicle production, as in China, Korea, Japan, the US, and Europe. This is a structural obstacle with no immediate solution. Consequently, for Australian manufacturing to be economically sustainable, it must tap into the global market. This is best achieved by forming strategic partnerships with well-established foreign manufacturers in the industry. Nissan has clearly demonstrated the success of this approach.

It is also important to note that many nations, particularly China, heavily subsidise their vehicle industries, considering them crucial to their economic strength. In China's case, the playing field is far from level. Companies like BYD function more as state-controlled entities disguised as private firms. They benefit from substantial subsidies that allow them to underprice international competitors in pursuit of global market dominance. This predatory tactic can be seen as economic warfare and has proven very effective. As a countermeasure, the US has implemented trade restrictions on Chinese vehicles.

In addition to providing subsidies, China also dumps vehicles to undermine local rivals. This tactic is particularly evident in Australia's EV market, which is now filled with new Chinese competitors. Consequently, Chinese vehicles are squeezing out traditional brands in Australia.

It is evident that generational and technological changes are now occurring in the Australian vehicle market. Australia has benefited in the short term with cheaper vehicles, but it has also driven another stake through the heart of local manufacturing.

In this fiercely competitive, bar-room-brawl-style environment, Australia needs to capitalise on its strengths and future vision to establish itself in the global vehicle manufacturing industry, ensuring alignment with the country's best interests.

The Strategy

The vision is to revive Australia's industrial sector, with the automotive industry playing a central role. Successful local initiatives, including Nissan component manufacturing and Kenworth and Volvo assembly plants, as well as smaller enterprises, provide a foundation and a guide for scaling future efforts.

The local market currently hosts over 67 brands. Given the small scale of the new-car industry, fierce competition is likely to drive many brands to exit, leaving the country with fewer brands and fewer support options for consumers. To promote long-term

stability and secure consumer trust, reducing the number of brands is necessary. The following are the main pillars of the strategy, and each brand may choose to participate or not. This approach aims to ensure long-term security for the industry, consumers, and the country.

- That all foreign brands seeking to sell in Australia must produce some components locally.
- Local production for all brands to rise from zero to 10% over 10 years in incremental steps.
- All foreign brands must partner with Australian companies for this transition.
- Legacy brands such as Ford, Japanese and Korean, be especially encouraged to participate. Newer Chinese brands to be encouraged but prevented from dominating the market.
- Legislation, industrial relations, taxation and financial incentives to be tailored to ensure global competitiveness in the world market.

The negative implications include a significant decline in local brands, decreased competition, and likely increased new-vehicle prices. Conversely, the positive outcomes would include greater industry stability and predictability, the creation of local jobs, training programs, technology transfer, involvement in global supply chains, and, most notably, the long-term growth of the sovereign vehicle-industry hub. This expansion would also support a wide range of local companies.

The automotive industry is on the verge of a renaissance, and some Chinese brands have already begun to shift toward local production, though their actions are driven by self-interest.

MOBILISING VEHICLE MANUFACTURING

Government

The national vision seeks to restore Australia's vehicle manufacturing sovereignty. It mandates that all foreign brands follow a structured, phased, and long-term plan to manufacture certain parts locally. Starting from a low base, this initiative will gradually grow over ten years. Rebuilding vehicle manufacturing capacity is essential for developing a sustainable, resilient industry and protecting Australia's economic and national sovereignty.

Presently, numerous federal and state incentive programs benefit the automotive sector. These encompass EV-focused grants, sovereign industry funds, manufacturing capital grants, R&D incentives, and structural-adjustment initiatives. While only a single program is exclusively automotive-related at the moment, a range of general manufacturing programs are available to automotive OEMs, EV startups, and component suppliers.

Federal Support Programs.

The DRIVEN Program (Dealership and Repairer Initiative for Vehicle Electrification Nationally) is a federal program. Although not a production grant, it supports EV infrastructure and capabilities in the automotive industry that are crucial to the success of domestic EV manufacturing. It has two elements:

- **Charger Rebate Stream:** Rebates for smart EV chargers at dealerships and EV repairers.
- **Charger Grant Stream:** \$20M for public fast chargers at dealerships, service centres, and EV repairers.

Automotive Industry Structural Adjustment Program

This federal program supports former automotive-sector businesses pivoting to new manufacturing, offering grants ranging from \$5,000 to \$50,000. It is useful for retooling workshops or suppliers transitioning to EV components or specialty vehicle production.

Other federal manufacturing-related programs that are applicable to the automotive industry:

- **The National Reconstruction Fund Corporation** identifies transport manufacturing as a priority for sovereign capability. It supports propulsion systems, batteries and power electronics, autonomous systems, and control software.
- **Defence Industry Development Strategy** provides grants up to \$1M for SMEs to buy manufacturing equipment for defence-aligned production.
- **Future Made in Australia:** This offers \$22.7B in incentives.
- Modern Manufacturing Initiative (MMI).
- Manufacturing Modernisation Fund (MMF).
- Energy Efficiency Grants for SMEs.
- Entrepreneurs' Programme – Business Growth.
- Export Market Development Grants (EMDG).
- R&D Tax Incentive.
- CSIRO Kick-Start.
- CSIRO Innovate to Grow.

State Support Programs

There are a number of state-level manufacturing and vehicle-related programs:

- Made in Victoria – Manufacturing Growth Program.
 - Made in Queensland / Sovereign Industry Development Fund.
 - NSW Advanced Manufacturing Fund.
 - Tasmania Advanced Manufacturing Productivity Grant.
 - ARENA – Solar SunShot & Future Made in Australia Innovation Fund.
 - Critical Minerals & Battery Supply-Chain Programs.
-

Strategic Partnerships

Strategic partnerships are key to advancing Australia's industrial capabilities and engagement in global supply chains. By necessity, Australia has entered into strategic long-term military partnerships under the AUKUS and QUAD arrangements. These partnerships are intended to strengthen the partners' combined military and industrial capacity and to make supply chains more robust and resilient. Without these agreements, it is beyond Australia's economic capacity to acquire the weapons, technology, and manufacturing capabilities required to survive as a sovereign nation. Equally, the AUKUS and QUAD partners are advanced industrial nations and are natural partners in Australia's vision for its industrial future.

Australia must therefore seek to identify strategic partnerships. The benefits to both parties are significant, particularly when expansion beyond national boundaries is being pursued. Strategic partnerships consistently deliver advantages that individual organisations – or nations – struggle to achieve on their own.

Strategic Industries

A strategic industry is one that a government considers vital for national security, economic growth, or broader societal needs. The idea is not new and has been used in various forms by many countries - including the US, Japan, Korea, Singapore, Israel, and Taiwan - with notable success. Apart from the US, none of these nations possesses the vast natural mineral and agricultural resources that Australia has.

These industries can play a vital role in fostering economic diversity and complexity, advancing technology, creating jobs and training opportunities, and serving as a catalyst for increased demand and productivity throughout the economy.

If the nation is to genuinely commit to strategic industries, there will inevitably be costs associated with the transition. Government financial support will be necessary, especially in the early stages. More crucially, there needs to be a shift in mindset away from short-term populist goals and towards long-term economic aims.

Automotive industry hub

Australia's automotive industry is now greatly diminished compared with its former importance in the national industrial base. Nevertheless, steady growth in niche areas, together with entrepreneurial spirit and energy, has established a viable foundation for expansion into a global industry. All developed nations acknowledge the significance of the automotive manufacturing sector and have implemented the necessary incentives and protective measures to support its development.

Enablers for growth

Government is the key enabler for industry growth. Specific policies would include:

- Incentivise investment through tailored legislation and favourable taxation settings.
 - Foster development around existing manufacturing regions and ports (e.g., Geelong, Adelaide, Hunter, Latrobe).
 - Adopt the foreign partnership model.
-

- Identify automotive manufacturing as a strategic industry.
 - Leverage Australian strengths in critical minerals towards EVs and battery technology.
 - Require federal and state fleet procurement to prioritise local production.
 - Automotive standards and roadmaps that favour domestic capability.
 - Tariff and regulatory levers to protect local industry from foreign predation.
 - Tailor scientific, educational, and trade training programs to ensure a sufficient trained workforce for the industry.
-

Case Study: Fees

The Australian automotive industry is a lucrative source of income for both federal and state governments. They are eager to tap into the seemingly endless revenue generated by this vital transport sector for Australians. As a result, extracting funds from the industry and consumers has become an art form. Norman Lindsay's Magic Pudding is alive and well.

The industry and consumers face approximately 40–50 fees, taxes, levies, and mandatory charges that vary by state or territory. Because each jurisdiction sets its own registration fees, stamp duty calculations, insurance costs, and levies, there is no single national figure. Nonetheless, the overall national landscape typically remains within this range. Australia's vehicle industry fees are grouped into five main categories, each comprising several specific charges. Import fees alone add about 2540% to the retail cost of a vehicle.

The net effect of the feeding frenzy by the state and federal governments is that there is little incentive to replace imported vehicles with locally manufactured ones. In addition, the cumulative impact has a considerable effect on the cost of living, affecting all Australians.

Likewise, manufacturers are confronted with a labyrinthine maze of differing state and federal legislation and fees, intended to prop up the public coffers and employ bureaucrats rather than foster Australian industry.

Vehicle Import Fees

- **Customs Duty (5%).** Most passenger vehicles attract 5% duty on the *customs value* (usually the price paid). Can be 0% if the vehicle qualifies under a Free Trade Agreement (FTA).
- **Goods and Services Tax (GST) (10%).** GST is charged at 10% on: (vehicle value + freight + insurance + duty). This makes GST one of the largest import costs.
- **Luxury Car Tax (LCT) (33%)** (if applicable). Applies only when the Value of Taxable Importation exceeds the annual threshold. 2026/27 thresholds are:
 - \$80,809 — standard petrol/diesel
 - \$91,661 — fuel-efficient vehicles (including many EVs)
- **Import Processing Charge (IPC).** A statutory fee applied by Australian Border Force for processing the import declaration. Amount varies by entry type and value (typically ~\$50–\$200).
- **Biosecurity / Quarantine Fees.** Includes steam cleaning, inspection, and contamination clearance. Mandatory for all vehicle imports.
- **Port & Handling Fees.** Wharf handling, terminal fees, and broker charges. Typically \$1,400–\$1,800 depending on port and vehicle type.

Vehicle Purchase Fees (State/Territory)

- Stamp duty (8 different formulas across jurisdictions).
 - Transfer fees.
-

- Roadworthy certificate fees (VIC/QLD) • Pre-purchase inspection fees.
- Dealer delivery charges.
- Finance establishment fees.
- Typical count: ~10 distinct fees.

Annual Registration Fees (State/Territory)

Every state bundles 3–5 separate charges into “rego”:

- Base registration fee.
- Motor vehicle tax (weight, cylinders, emissions, postcode — varies by state).
- CTP/MAI insurance (bundled in most states; separate in NSW & ACT).
- Road safety levies.
- Traffic improvement levies.
- Administrative surcharges.
- Typical count: ~20–25 distinct fee types across Australia.

Operational Fees

- Tolls (multiple operators, dozens of fee classes).
- Fuel excise (federal).
- Parking levies (Sydney, Melbourne CBD zones).
- Heavy vehicle road user charges.
- Oversize/overmass permits.
- Typical count: ~10+ distinct fees.

Fines

Each state has its own schedule of penalties, fines, and innovative penalties:

- Speeding fines.
- Red-light fines.
- Registration offences.
- Insurance offences.
- Vehicle standards offences.
- Demerit point penalties.
- Typical count: 100+ individual fines — but these are *penalties*, not “fees”, so they are not included in the 40–50 total.

<i>The automotive industry has become Australia’s new Magic Pudding.</i>

Case Study: Nissan



Photo: Nissan

Nissan Casting Australia Plant (NCAP) is Australia's leading automotive manufacturing site, specialising in aluminium casting for Nissan's global platforms. It produces a wide range of components for numerous Nissan models, demonstrating world-class casting and process capabilities. By integrating Australian-cast components into vehicles worldwide, Nissan provides Australia with significant leverage and visibility in international automotive supply chains (Nissan, 2026).

Established in 1982 in Dandenong South, Victoria, the NCAP now employs 192 staff and contractors and produces 25 high-pressure die-cast aluminium components and six tow bars for use in domestic and international markets.

NCAP has evolved with the industry's transition to zero-emission vehicles. From producing components for internal combustion (ICE)-powered vehicles to expanding into manufacturing electric and Hybrid e-POWER powertrain components, it works closely with development teams in Japan and is helping shape Nissan's future production vehicles.

NCAP produces 1.2 million parts annually, including high-pressure die-cast aluminium components for electric vehicles (EV), Hybrid e-POWER, Final Drive, and ICE engines. These parts are exported to international assembly plants serving global markets. NCAP is the exclusive global supplier of 40 components, covering casting variants and accessories used in vehicles such as the Nissan Leaf, X-Trail, and Patrol domestically, as well as in advanced Nissan electric motors and Hybrid e-POWER powertrains worldwide. Every component leaving NCAP features the Australian Made logo, highlighting the product's Australian origin and expertise.

Nissan demonstrates that component manufacture is feasible in Australia.

Case Study: Electric Vehicles



Photo: Volvo - first electric truck.

Electric vehicles are the new technological frontier. Encouragingly, Australia currently produces EVs in niche segments and on a limited scale. It has demonstrated expertise in heavy-vehicle EV manufacturing, component production, and light-commercial assembly. The main limitation is scale, not capability. However, expanding will require strong government support and investment. We now stand on the cusp of what is possible.

Heavy-vehicle EVs. Volvo Group Australia has begun producing battery-electric trucks at its Wacol, Queensland, plant. This demonstrates sovereign capability in industrial-scale EV assembly, workforce training, and global-standard quality.

Light-commercial EVs.

- ACE EV Group assembles lightweight urban EV vans.
- SEA Electric integrates Australian-designed EV drivetrains into commercial vehicles and performs EV conversions at scale.

EV conversions. Companies such as ROEV convert existing Utes (Hilux, Ranger) into electric fleet vehicles.

EV components. Australia is building a sovereign capability in battery materials, cathode production, chargers, and advanced energy components.

Australia has viable options to grow its EV manufacturing. While it cannot compete with China, Korea, or Europe in mass-market passenger EVs due to its small market size, Australia can focus on niche areas that leverage its established industrial strengths in commercial vehicles and body manufacturing.

CONCLUSIONS

The last Australian-manufactured mass-market vehicle rolled off the line on 20 October 2017. It was a Holden VFII Commodore SS-V Redline, built at Holden's Elizabeth plant in South Australia. The event marked the end of 69 years of Holden manufacturing and of mass-production automotive manufacturing in Australia. Ford ended production in 2016, and Toyota earlier in 2017. Holden's closure marked the end of an era.

Since then, conventional wisdom has been that manufacturing vehicles in Australia isn't economically viable due to the limited size of the local market. This limited view that "it can't be done" – plus the absence of a long-term vision for the country's economic development - has played a major role in the collapse of the automotive sector. It has also contributed to the overall decline of Australia's manufacturing industry and undermined the country's capacity to address sovereign strategic challenges.

Vehicle manufacturing is globally recognised as a cornerstone of a nation's industrial infrastructure. The industrial ecosystem it fosters enhances capabilities across many other sectors, including transport, energy, defence, logistics, and advanced manufacturing. Rebuilding a large-scale sovereign vehicle industry in Australia would quickly deliver significant economic benefits.

Decades of an economic version of the cultural cringe, narrow thinking, and laissez-faire policies have left the Australian automotive market now overwhelmed by vehicle brands, especially Chinese ones. The industry has turned into a dumping ground for new brands and models competing for market share. While this situation offers some benefits to consumers, it poses a serious risk to the nation - if sovereign strategic capabilities are considered important.

Despite the overall decline and current chaos, some sectors of the automotive industry have not only survived but also prospered, demonstrating resilience and indicating the industry's potential future direction. Today, most major automotive manufacturers are subsidiaries of global corporations, producing heavy vehicles or supplying parts to the worldwide supply chain, including companies like Kenworth, Volvo, and Nissan. The second tier features boutique muscle-car makers like Brabham, Elfin, and Bolwell. The third tier focuses on customising vehicles for niche markets. These companies employ significant numbers of staff and operate on an industrial scale, or have the capacity to do so, provided there is a clear vision for the future and a strategic plan supported by targeted policies.

Australia can revive its vehicle manufacturing industry, from its current low base. The key strategy is to mandate that all foreign brands selling in Australia produce some components locally, increasing the local content incrementally from 0% to 10% over the next 10 years. Foreign brands will be required to establish strategic partnerships with Australian companies, as a key element of the transition. Legislation, industrial relations, taxation, and financial incentives must be crafted to keep the industry competitive internationally. Most importantly, there needs to be a clear vision and a comprehensive plan for the industry's future.

MOBILISING – VEHICLES

The Vision: To establish a large-scale sovereign Australian vehicle manufacturing industry over the next 20 years, focused on global markets.

Government:

- Vehicle manufacturing to be considered a strategic capability, not a legacy industry.
- Agree on a bipartisan approach to the vehicle manufacturing industry.
- Create a 20-year plan to achieve the automotive vision based on the national industrial plan.
- Enact policy and taxation settings to incentivise the sector (see Productivity).
- Establish a government department to foster the sector.
- Enable protectionist measures against global competition - as practiced by all nations - to foster and protect their sovereign industries.
- Domestic political ideological agendas and union activism to be subservient to the national interest.
- Establish a sovereign automotive industrial hub in each state.
- Develop a workforce and skills strategy to support the plan.
- Create long-term financing instruments to support the industry.

Strategic Industry:

- The automotive sector to be declared a Strategic Industry, and national resources mobilised to support it (see Government).
- The proven local success stories to be the baseline for future expansion.
- Universities and scientific institutions to focus on supporting the industry.
- Accept a cost premium in anticipation that long-term gains will far exceed the initial investment.
- Private enterprise and entrepreneurship to be the foundation for the industry.
- A private enterprise/Government ownership model be established to ensure strategic control and continuity for the first 20 years.

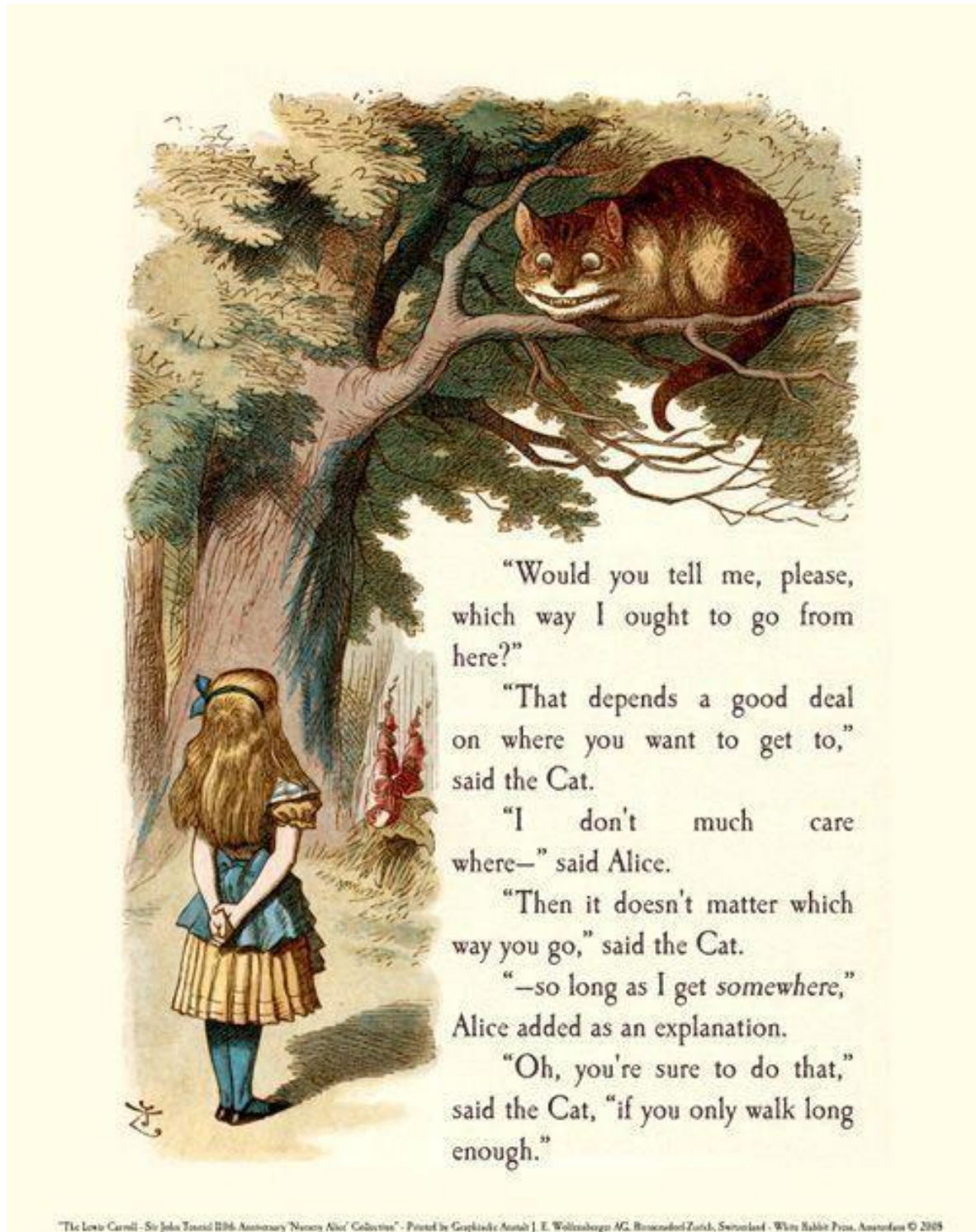
Strategic Partnerships:

- Identify strategic partnerships, possibly through AUKUS or QUAD, or with other allies to develop the automotive sector (see Government).

The obstacles to the revival of the Australian automotive industry aren't capability or entrepreneurial spirit - but the lack of a clear national vision and the political will and courage to pursue it.

THE LAST WORD

The last word belongs to Lewis Carroll and his “Alice in Wonderland” - Alice is lost in the forest, meets the Cheshire Cat and asks for directions. It is a perfect analogy for Australia’s present lack of a national vision, strategic planning, and purposeful direction. We are indeed at a crossroads in Australian history.



The Author

This paper draws on the author's experience in the Australian Army and his industry experience across manufacturing and major defence and construction projects in Australia and overseas. He holds academic qualifications in Engineering, Management, and Operations Research. He is retired and lives in Melbourne.

He is a passionate Australian who wishes to see that Australia remains on the right side of history.

Photo Credits

Front cover: Holden Ute - tww.id.au

Nissan NCAP Kenworth

T404.

The Last Word: Lewis Carroll Alice in Wonderland

References

AUSMASA (2025). AUSMASA. (2025). *State of the industry – automotive*.

<https://ausmasa.org.au/media/dtiddr5r/state-of-the-industry-automotive.pdf>

Carsales (2026). Carsales. (2026, August). *VFACTS 2025: Another record year for Australian new car sales*.

<https://business.carsales.com.au/newsroom/news/vfacts-2025-toyota-tops-record-year-for-aussie-car-sales/>

IndexBox (2024) IndexBox. (2024). Australia: Tyre market 2024 – consumption, imports, and forecast. IndexBox Market Intelligence.

Nissan (2026). Nissan Australia. (2026). *Australian made*.

<https://www.nissan.com.au/about-nissan/australia-made.html>

VFACTS (2025). Margeit, R. (2026, January 8). *VFACTS 2025: How the newest car brands in Australia fared in their first year*. WhichCar.

<https://www.whichcar.com.au/news/vfacts-2025-newest-car-brands>
(whichcar.com.au in Bing)
