Leyland Cars in Australia: a Chronicle

An account of the rise and fall of BMC, Leyland, and JRA Companies in Australia 1950-1998

By

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Preface

In 1950, Lord Nuffield established a factory at Zetland in Sydney to assemble his Morris cars. Merging with Austin in 1954 to become the British Motor Corporation (Australia) Pty Ltd, the Company was to produce some of the most well-known motor vehicles in the country. Following the closure of its Zetland plant in 1975, the Company battled on before being reborn as an importer in 1983 whereupon it flew to dizzying heights before crashing down in 1991. With one final gasp, the last remnant finally died in 1998.

This book tells the story of those beginnings at the Victoria Park racecourse in Sydney's south to the end, with the collapse of the Clifford Corporation. Nearly 50 years of hope, success, failure and demise but along the way, a cavalcade of unforgettable motor vehicles, many of them now sought-after classics, which played a part in the lives of many thousands of people in the latter half of the 20th century.

Chapter 1. A British Outpost

The British Motor Corporation was formed in 1951 in the UK, chiefly from an amalgamation of rivals Austin and Nuffield (Morris). This became necessary to form a critical mass to combat the local competition from companies like General Motors and Ford which had significant backing from their parent companies in the USA.

Many viewed the process as a takeover with Austin the dominant partner. Some members of staff continued to use Austin letterheaded paper, while in the design offices, the term "ADO", which was supposed to mean "Amalgamated Drawing Office", was said by those from the Austin side, to mean "Austin Drawing Office."

Following the merger in the UK, The British Motor Corporation (Australia) Pty Ltd was established 1954[1] and comprised:

- The Austin Motor Company (Australia) Pty Ltd
- Nuffield (Australia) Pty Ltd
- Fisher & Ludlow (Australia) Pty Ltd

[1] ASIC shows first registration of BMC (Australia) as 1/5/1945 which could be an editorial error.

Fig. 1.1 Typical company presentation with portraits of Leonard Lord (the then-modern-day successor to Austin), George Lloyd and Lord Nuffield in the background, and an inspiring slogan along the top.

In the 1950s the company was very similar to the UK parent in outlook. Typical of the period, there would be a portrait of Queen Elizabeth II in offices and public areas. Company founders and managing directors were revered. Salaried executives, senior staff and staff were categorised quite distinctly from those out in the factory. The colonials in Australia were heavily influenced by the culture of the old country.

A few years before the amalgamation, in 1948, William Morris (Lord Nuffield) had purchased the land at Victoria Park at Zetland in Sydney and the foundation stone for the first vehicle production building was laid on the 1st March 1950 in the presence of Nuffield and NSW State Premier McGirr. At the opening ceremony, G.A. Lloyd presented Nuffield with one of seventeen sovereigns found during excavations of the site. In later years, the site would be shared with associated independent companies such as Joseph Lucas, Conveyancer Fork Trucks, Olympic Tyre and Rubber, Beaurepaires, Thornycroft, James N. Kirby, Champion Spark Plug Co. and The Distillers Co., most of whom were of direct benefit to the BMC factory.

At that time, Morris vehicles were both imported Completely Built Up (CBU) and also assembled from Completely Knocked Down (CKD) packs from UK at Victoria Park. Australian input to the vehicles at this time was more or less limited to the provision of soft trim, tyres and batteries, painting and assembly. Austin vehicles were assembled by distributors located throughout the country at Ruskin Body Works, Dudley Street, West Melbourne (Austin A30, A50 and A55) and Charles Hope in Brisbane (A95) using bodies produced from CKD packs from the UK.

Perhaps the first car to benefit from the merger was the popular Morris Minor. The original Morris 918cc side valve engine was dumped and replaced by the more advanced Austin overhead valve unit of 803cc. Despite its smaller capacity, it provided more power than the old engine by virtue of the greater engine speed

In 1945, Prescott recalls meeting Nuffield on board ship bound for Australia, in which Leonard Lord and Austin were not the subject of any glowing praise.

In October 1958, Foy, Hardy and Fulford took three of the Company's products to Nyngan, in north-western NSW, along with a new model Volkswagen, for a comparative test of handling and general performance in country conditions. The cars were a pre-release Austin A40 (Farina) production vehicle, a prototype Morris Major Series II with an independent rear suspension and a modified steering rack, and a UK version Morris Major Series II. UK Visitors H.J. (Joe) Graves, J. Bramley and Charles A. Griffin (from UK) participated, along with Managing Director Buckley. Buckley, in his push for the importance of local design, felt that UK did not appreciate the conditions to which the UK models were subject to when they were operated by customers in Australia and this was their first visit to see for themselves the local conditions. The VW proved to be surprisingly good in all respects compared to the BMC cars.

In late 1958, it was announced that the previously separate Service Departments for Austin (under Arthur Rook in Melbourne), Morris (under Poole in Sydney) would merge. Prescott was appointed Assistant Service Manager, and Service Supervisors were appointed for New South Wales, Victoria and Queensland, South Australia and Western Australia, Northern Territory and Papua New Guinea. As well, a Service Promotion Supervisor was appointed who was responsible for operation of the Service School, technical data, records, literature and tools. The Service School educated technicians from individual dealers as to repair techniques, repair times, warranty issues, and the use of special tools. This amalgamation of service responsibilities was a major reshuffle and standardised the operation of the servicing of the BMC range.

Fig. 1.12 Bill Serjeantson (kneeling in a pothole) and Bill Abbott, on a road test near Bourke, 1958. Austin A55 Utility (AF3) in the background.

It was envisaged that eventually the company would employ about 7,000 people and produce between 40,000 to 50,000 vehicles per year. In a lecture presented to the Institution of Auto. & Aero Engineers on the 9th April 1958, Tom Poole said:

"*I will conclude by saying that we, at B.M.C, consider that the motor industry in Australia will have a very bright future -- it is certain to be a competitive future -- but it will be full of interesting aspects and developments and, Gentlemen, we are justly proud to be a part of it.*"

In February 1959, Buckley had resigned. It was rumoured that he had mishandled the sale of the factory at Fishermen's Bend, although in the press, it was conjectured that the change in leadership had occurred following a decline in company sales, while others thought that perhaps his grandiose ideas for expansion at Victoria Park were not well-received in UK. Buckley took up a position with the Commonwealth Aircraft Corporation (CAC), and soon after, Moody also left the company to go to CAC. G.A. Lloyd returned, along with Joe Graves, and were appointed joint managing directors.

Fig. 2.2 Wide-body Austin A60.

For the 1961 model year, Abbott proposed that the minimum model policy could begin with the introduction of the Mini (ADO15) as the small 4 passenger, 4 cylinder car – but either as a Morris or an Austin, not both. A larger 4 passenger, 4 cylinder car would be the Morris Major Series II (DO1115) facelift, and the larger 6 cylinder, 5/6 passenger car would be the Austin Freeway (ADO40). In the luxury class, the Wolseley 24/80 Saloon (ADO40) would be offered. Still too many offerings but moving in the right direction.

	1950-1951	**1955-1956**	**1960**	**1961**	**1962**
General Motors-Holden's	24.1	36.2	38.4	45.0	39.1
Ford Motor Company	15.9	18.7	15.8	16.7	17.3
BMC	**30.5**	**19.1**	**13.1**	**11.9**	**16.9**
Volkswagen		4.8	12.5	10.5	10.4
Australian Motor Industries (AMI)	9.4	7.5	5.3	4.4	1.1
Rootes	7.8	4.9	4.4	3.4	3.6
Chrysler	2.7	3.8	5.6	3.5	6.4
Other	9.6	5.0	4.9	4.6	5.2

Table 2.1 New Passenger Car Registrations, market share %. Note the steady decline in BMC market share until the introduction of the Morris 850 in 1961.

Note that as early as 1960, the concept of the Morris marque was aimed at the lower priced end of the market while Austin being elevated to the upper class, was being introduced – a philosophy that carried forward into the 1960s with the Morris Mini, and 1100 range being aimed at students and young families and the Austin 1800 being pitched as an executive company car or for the well-heeled family man, while the Wolseley marque appealed to the luxury buyer.

Recognising that the UK-designed models of the late ′50s and early ′60s were somewhat narrow and stodgy looking compared to the Holden and Ford products of the day, a small group of Engineers, unbeknown to Abbott, made up a wide-body ADO9 (Austin A60) by cutting one down the middle and adding 5 inches to the width, and fitting a prototype 6 cylinder engine from UK. This was a driveable vehicle but when Serjeantson showed it to Abbott, he was most displeased and ordered the vehicle to be scrapped.

Later, in 1961, Abbott and Harold Sainsbury (Finance Director) were summoned to Longbridge to discuss with Leonard Lord the state of the Australian operations – by then a declining market share and little to

Fig. 2.15 Photographed from the accompanying Cessna, the Austin Freeway on its marathon trip (anti-clockwise) around Australia, July 1962.

Fig. 2.16 Austin Freeway being loaded on board ship for export.

with refinements and improvements to tempt the prospective purchaser. However, lined up against its competitors, the Freeway looked narrow and upright.

It wasn't long after the Freeway release that a trip around Australia was organised. This was to be the start of several marathons involving new BMC models. Evan Green and Modern Motor editor Jules Feldman were the drivers. They were accompanied by photographer Scott Polkinghorne and reporter Bob Main in a Cessna aircraft provided by Rex Aviation. Fuel and oil were supplied by Shell Australia. Starting on the 7th July 1962, the trip took nine days, six hours and 22 minutes – a record for an around-Australia run. The trouble was that "records" for motor vehicle trials was under the jurisdiction of the Confederation of Australian Motor Sports (CAMS) whose policy was not to endorse any open road attempts of this kind. CAMS considered the attempt a "prima-facie breach of the regulations regarding records for the round-Australia course" and demanded that BMC withdraw the advertisements which claimed a record had been broken. BMC refused, and so CAMS imposed a three month competition ban on all makes of BMC cars in Australia. Managing Director Graves, refused to give in, but CAMS withdrew the ban when the advertisements had run their course after a couple of weeks. The trip was made into a short film by BMC Australia in conjunction with Shell, the opening theme being a catchy "Make Way for the Austin Freeway" and commented by Evan Green.

John Holt, in a presentation meeting with Sales staff, faced opposition to the placement of the Morris badge on the side and not as usual in the centre of the Elite grille. Bill Serjeantson said that the opponents of this were old-fashioned and he bet that at home they had the clock in the centre of their mantelpiece.

Holt had also designed a new fabric pattern which was made at ICI in Melbourne from Vynex under the product name Tarwin. The weave of the pattern was taken from a sports coat he was wearing at the time. This same fabric was carried over to the new Morris 850.

The "Freeway around Australia" marathon must have caught the imagination of a Mr Joe Fawcett, 66, wheat and sheep farmer in the Victorian Mallee district, who shortly afterwards took his Freeway station wagon, towing a caravan, and travelling three abreast on the front bench seat with his wife and sister-in-law, on a six month round-Australia jaunt over much the same route. The rear of the vehicle was packed with clothing, spare petrol, gas cylinders, barbecue, chairs, guns, ammunition, spare tyre and water, with the remainder of their equipment in the

Fig. 2.17 Mr Joe Fawcett, wife and sister-in-law in their Austin Freeway.

The Committee met the next day on Thursday 19th August, and again on Tuesday the 24th. Letters and telegrams were tabled. Various editors, advertising executives, and proprietors of the newspapers concerned were examined over the next few days, with Abbott and Milbank appearing on Thursday the 26th. More witnesses appeared the following week, including Rupert Murdoch. The Committee continued to meet up until the 14th of September.

Fig 2.27 Bill Abbott (left) greets Paddy Hopkirk (right) at the factory, 23rd September 1965.

It was discovered that that Arthur Smyth & Sons Pty. Ltd. were retained by the BMC to handle its advertising. A decision was made to prepare a topical budget advertisement and for this purpose Mr. R. H. Arnold, Freelance Commercial Artist, was commissioned to prepare a suitable layout. He conceived the idea, of using a photograph of the House in session and subsequently purchased such a photograph from the News and Information Bureau where copies were on sale. It was found by the Committee that there was no precedent for the use of such a photo for advertising purposes, but a breach of privilege had been committed. The Committee then listed those it considered responsible: some ten individuals with Robert Lindsay Abbott at the top of the list. The Committee found that the breach occurred without malice but resulted from negligence and a lack of appreciation of what was involved. The Company sustained a heavy fine – it was worth all the trouble.

1965 was indeed a high point in the Company's history. Just a few months after the release of the Morris Mini Deluxe, the Morris Cooper S was announced on the 6th September. At £1,140 it was more expensive than a Morris 1100, but featured a 1275cc engine, and 100 mph performance. It featured front disc brakes, laminated windscreen, oil cooler, twin fuel tanks, heater-demister, and as well, the Australian wind-up windows.

Fig 2.28 Austin 1800 (ADO17) released 22nd November 1965.

Out of the first ten outright placed vehicles in the Armstrong 500 touring car race held at Bathurst in October 1965, six were Morris Cooper S, with the third outright place being driven by Peter Manton and Brian Foley coming in behind two Ford Cortina GT's. International drivers Paddy Hopkirk and Timo Makinen were 6th placed 6th outright. The week before the race, the BMC-sponsored drivers were given a reception at the factory canteen. Hopkirk and Makinen were flown in and greeted at the factory by Bill Abbott.

Soon after the launch of the Morris Cooper S, the Farina-styled Austin 1800 was released on the 22nd of November 1965. Earlier that month, a dealer preview had been held under a marquee at the Factory, and unlike the extravaganzas of previous launches at the Trocadero, the official release on the 22nd was a relatively low key affair with an executive lunch for the management in the theatrette (attended by Sir George Harriman who was visiting the factory from UK – which might explain the change in venue from the Trocadero to the factory), and a staff party (featuring professional entertainers) in the factory canteen.

Fig. 3.11 BMC Moke with 13 inch diameter road wheels, photographed outside the New Administration Block on South Dowling St.

In April 1968, the "big wheel" "BMC Moke" (YDO18) was introduced with 13 inch diameter road wheels, seat belts, stone guards for the head lights, sump guard, tow bar, and mud flaps being listed as standard equipment. Optional extras included side curtains and a soft top, and a new range of colours. The 998cc engine was retained. Price $1,259 + tax.

On the 14th of May 1968 the merger between British Motor Holdings Ltd and Leyland Motors Ltd was announced in UK to form the British Leyland Motor Corporation (BLMC) Ltd. This resulted in Sir Donald Stokes being appointed as Chief Executive, Jack Plane (from Leyland) being appointed Sales Director for BLMC (southern hemisphere) and non-resident chairman of the board for BMC-Australia, and Harry Webster (from Triumph) as Executive Chief Engineer responsible for volume car and light commercial vehicle divisions. All of these appointments were to have a significant effect on later developments, the first of which was a considerable delay in approving – or even looking at, the proposed new Policy.

In Australia, the company was officially known as the British Leyland Motor Corporation of Australia Limited[4]. The merger added Land Rover, Rover and Triumph to the company's vehicle marques. Abbott would be officially appointed Managing Director of the new BLMC (Australia) the following August.

The incoming BLMC management in UK discovered that as far as new models were concerned, the cupboard was bare, and a new model development programme was begun almost immediately. Unfortunately, none of the proposed new models (e.g., Clubman Mini (ADO20), Maxi (ADO14), Marina (ADO28)) would allow the Australian company to compete in the largest sector of the local market – the medium sized car. Thus, in the longer term, the Two Model Policy was the only option for the Company in order to remain profitable. UK management must have been delighted that the Australians were taking the initiative to develop their own new model programme – they had enough to worry about.

The Advanced Model Group continued with the production of a detailed cost breakdown for every part over 10c for the Morris 1100. The objective being to gain an accurate figure of cost per lb of every component of significance used in the Car Assembly Building (CAB) in a typical BMC vehicle. In July 1968, investigations were continuing with Anderson visiting aluminium foundries in Australia to gauge their interest in producing cylinder blocks and heads, more work on the seating buck, and outline drawings of layouts for Models A and B. It was at this time that design of a mock-up vehicle based upon ADO17 (Austin 1800) was begun, the purpose of which was to prove the basic ideas on mechanical specification – V8, FWD, north-south power unit with hydrolastic suspension.

[4] British Leyland Motor Corporation of Australia Pty Ltd in August 1968, then British Leyland Motor Corporation Ltd in October 1969, and then later, Leyland Motor Corporation of Australia Ltd in March 1972.

Fig. 4.2 Morris Mini K (YDO5) and embellishment sticker. This model released 6th May 1969.

At a projected 30,000 vehicles per annum, the profit was estimated to be approximately $4M, while with a projected 40,000 vehicles per annum, the profit was estimated at a staggering $10M. The break-even point was 21,200 vehicles.

The model timing was designed to carry over from the end of the previous UK-based vehicles, but the newly designed Clubman Mini would continue in the small car market.

Beech had Haynes lined up for the styling, negotiations with local suppliers had begun, and all that was needed was the go ahead from the UK management. By this time, the Australian Board of Directors had approved the plan, but the final say was down to Plane and Stokes.

In preparing the extensive April 1969 Profitability Study, Beech recommended that if UK could not make a decision, then local funding would be sought in order to proceed. The preparatory work had been done, the design layout decided, model specifications agreed, weight and costs established. The time had come.

New releases started to appear from the Australian factory. The Morris Mini 1100 Deluxe (YDO5), dubbed Mini K by marketing, was introduced on the 6th May 1969 and was given a 1098cc engine with full synchromesh on all forward gears, an alternator (negative earth), dished steering wheel and revised instrument cluster. Kangaroo motif stickers on the sides of the front mud guards completed the package. It was priced at $1,780 tax paid.

Appearing at the same time was the automatic version of the Morris 1100 S (1275cc), which at $2,327, did not really set the market on fire, but was considered to be a worthy contender for those wanting a small automatic with good performance.

The MGB MKII offended the sports car purist with the addition of an automatic gearbox, but at $3,445, was probably out of reach of the average younger buyer. The manual version was offered with an overdrive option.

Back in June 1968, BMC had obtained a new, fully imported, Renault 16 (direct from Europe before the car's release in Australia) for comparison with their newly developed Morris Nomad (YDO9) and Morris 1500 (YDO15). The Renault 16 is a front wheel drive, hatchback with a 1470cc engine and on paper, appeared to be a direct competitor with the Nomad. The only substantial mechanical differences being that the Nomad/1500 would have an east-west E series overhead cam (OHC) engine, but the Renault featured a north-south aluminium block. Every aspect of the car was measured, from the effort needed to operate the sun visors, to ramp angles and ground clearance laden and unladen. The engine and gearbox were stripped and examined. Senior staff were given the opportunity of driving the Renault and having their opinions

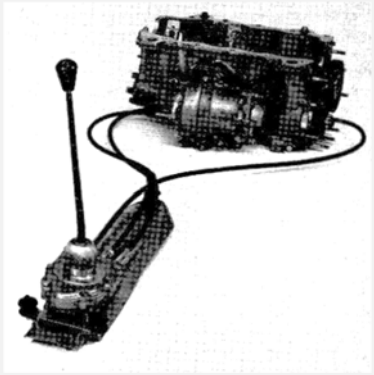

Fig. 4.3 Morris 1500 cable operated gear change.

Fig. 4.4 Morris 1500 (YDO15) released April 1969.

recorded. They found it to be a well-designed and finished vehicle which showed close attention to detail and refinement and a worthy competitor.

The Australian Morris 1500 was quite different to the UK Maxi released in April 1969. Australia retained the Morris 1100 body shell but accommodated the new engine by a large bulge in the bonnet. The bonnet, a new grille, lift-up door handles, and new tail lights identified the new car from the outside. The interior had a strip type speedometer similar to the Austin 1800 as was the rocker type lights and wiper switches.

One unfortunate design fault with the car was the new cable-operated gear change. With cables resembling the flagella of a bacterium, it even looked like it wouldn't work without one having to use it. Lord Stokes admitted it was a mistake and British Leyland spent £900,000 in re-designing it to a rod-change mechanism. Stokes estimated the cost would be recovered within one year's production. The automatic version of the car was called the Morris 1300 since it retained the existing A series 1275cc engine.

Even the Moke came in for an update with the all-synchromesh gearbox and 1098cc engine at $1,465.

For the mini range, local content had just about peaked.

By late June, still no approval for the new model program had been forthcoming from the UK management nor was expected for another month, but Beech sent Haynes the Styling Terms of Reference so that a flying start could be made – with the proviso that submission of this material did not constitute or imply that Haynes would actually get the work when the programme was officially approved. It was agreed that negotiations with suppliers would begin and responsibilities for Sales and Service Departments established.

Haynes, in the meantime, was trying to get Beech interested in a 2-door fibreglass vehicle based upon Morris 1100 mechanicals. Beech politely showed some interest in the idea, but preferred the vehicle be based on Mini mechanicals since it was felt that there was more room at the bottom of the market for a replacement for Cooper S.

In mid July 1969, Beech was able to report that in a recent visit to Australia by Plane, considerable enthusiasm for the Model B project was shown and that the proposal would be sent to the UK Board with a recommendation to go ahead. It was envisaged that the executive team, headed by Lord Stokes, would soon visit Australia to give the final decision in early August. At this visit, it was planned that the following items would be on display:

- A range of competitor vehicles
- Seating and space buck

It became evident during the work at Michelotti's studio that the styling for the vehicle was severely limited by the engineering hard points. Rodbergh considered it nothing more than a surface treatment to a design already rigidly defined. Unfortunately, the front "nostrils" envisaged by Rodbergh had to be removed since the centre part of the bonnet would have to then have sat lower than the nostrils and would not have accommodated the air conditioning plant unless there was a bulge. The rear of the boot was virtually dictated by Hardy who liked the look of it.

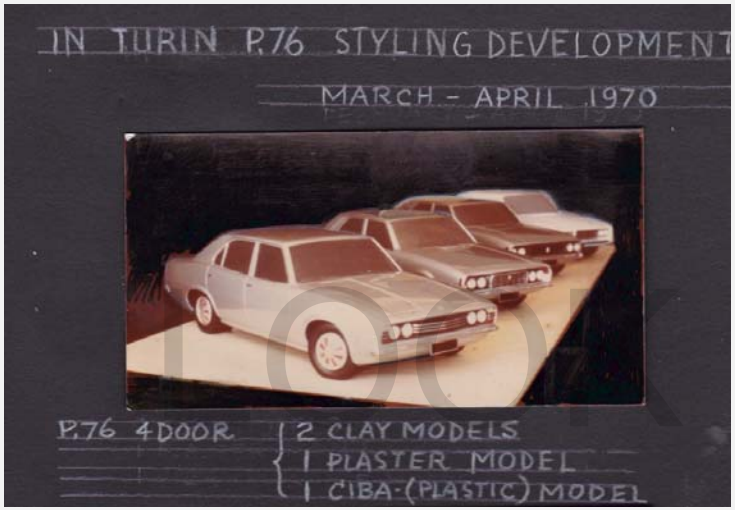

Fig. 5.10 Line-up of the ¼ scale models. From front to back: Michelotti's clay model, plaster "AMG Hard Point" model, CIBA plastic model, and Rodbergh's clay model.

The workload, location and atmosphere were weighing very heavily on Rodbergh and he developed an infection and high temperature.

Rodbergh in Turin writes back to Fulford at the factory: "The rear of the boot was virtually dictated by (Graham) Hardy who gave as one reason: The shortage of time and in his opinion the one on the model now looks OK. I like to repeat that the full scale model will not look the same as the scale model even if it is made exactly to scale. It is a known thing and that is why very few only make scale models as start."

On Tuesday, 24th March, Beech spoke to Rodbergh by phone. By this time, Hardy had started on his return to Sydney and Beech was about to leave for Turin. Beech was displeased at Hardy's departure and ordered Rodbergh to stay in Turin until he got there. This phone call was evidently quite a heated one in which the nature of the activities in Turin was questioned by Beech. Rodbergh writes to Fulford that "G. Hardy told me that I came to Turin with the view of making the trim (sketches) and the modelling of the sedan just happened and it was decided that the sports model will be made directly full scale as per model imported from Sydney." – quite a departure from the February letter of instruction from Beech to Michelotti. Officially, a design engineer was sent to Turin so that "the principles of minimum panel construction, optimum manufacturing costs, and minimum tooling costs could be achieved." although it was doubtful that these sentiments were expressed directly to Michelotti, even if they appeared in the minutes of meetings back at Waterloo.

Rodbergh's continuation in Turin meant cancellation of his planned flight to Paris – the first leg of his return trip to Sydney but he reminded Beech that physical and mental exhaustion over the past 12 weeks, mostly 7 days per week, was taking its toll and he pressed for annual leave.


SCOOP-OF-THE-YEAR — WHEELS exclusive report on B-L's shock plans.

BRITISH LEYLAND AXES FWD!

Fig. 6.1 Wheels Magazine predicts the future at Leyland.

It wasn't long before someone was sent out to review the financial situation. On 21st April 1971, Don Main arrived in Sydney to find the factory over-stocked on vehicles, too many spare parts on hand, and excessive debtor levels. To remedy the situation, he recommended recalling a loan to, and shares in, the Winterbottoms finance company (where some $0.25M was invested in real estate, and now worth $1.75M) to raise cash. As well, a reduction in staff by 1200 persons was recommended. Additionally, Main concluded that Beech, as director of both Marina and P76 programmes along with production and control of materials "is expecting too much of one man, no matter how capable he is." Sainsbury's role as finance director of the Austin-Morris division was seen to be too restrictive and that an overall Finance Director with access to all Divisions is required – a recommendation that ultimately led to the appointment of Peter North. A separate review of the P76 programme was flagged.

Don Main's report must have gone down like a lead balloon back in London since almost immediately, Ian Lovegrove (BLMC-Australia's man then overseeing operations at PSF in Cowley) writes to Fulford with the disturbing news that the P76 programme at PSF is to be suspended. Fulford replies that he has heard nothing but is expecting visitors from the UK to arrive in the next couple of weeks whereby more information might be forthcoming. Beech must have known about this and was probably told to halt the effort in Australia while a review was carried out, but he ignored the instruction.

Meanwhile, an earlier January 1971 article in Wheels magazine loudly proclaimed that Leyland were to dump FWD and hydrolastic suspension, which led to all sorts of speculation about the future of the Tasman/Kimberley and Mini range of vehicles and indeed, the future of the company in general. This was largely based on the introduction of the rear wheel drive Marina in the UK and rumoured to replace the Morris 1500 in Australia.

By June 1971 Martin had to reassure staff of the future of British Leyland in Australia in a meeting to company personnel before making an announcement in the press. In responding to "malicious rumours", Martin confirmed British Leyland's $30M plan for continued development of all-Australian cars in addition to the current $65M investment in Australia. According to Martin's official press release, BLMC-Australia was committed to local manufacture and had no intention of reverting purely to an assembly operation. Tasman and Kimberley models would continue to 1973 and a commitment to both RWD and FWD was confirmed. In order to boost confidence, Martin was thus forced into revealing first details of the P76: a large family car with either a 6 or V8 engine with styling by the "Italian master stylist, Giovanni Michelotti." The following month, Wheels Magazine covered the story, describing the development as BLMC-A's breakaway from the parent company.

Fig. 7.4 Launch of the Buyer Protection Plan.

The basic marketing strategy for the P76 was to offer a vehicle to the more ambitious buyer who wanted a different vehicle from the Holden or Ford range – a different car in the market place, a car that "although it is in the mainstream of automotive design, the P 76 is anything but average in either concept or execution." upon the premise that Falcon, Holden and Valiant are all similarly designed for level to level competition.

It was recognised that Holden created the medium sector category in 1948. Ford responded with the USA-derived Falcon in the 1960s, a slightly higher priced car, but then dropped the price back to match that of Holden until 1967 where they increased the price again. Chrysler entered the sector with the Valiant, at a higher price again. The Valiant, while not matching the volume of Ford or Holden, became known as a better quality car and Chrysler were able to push the price higher again to support this image.

By the 1970s, the Chrysler Valiant market share had slipped. Despite being promoted as a "company executive" vehicle, the Valiant lost its gloss when Chrysler decided to compete on equal terms with the other two by reducing its price.

As a consequence of this example, Leyland sought to differentiate from the others by offering something substantially better, and at a modest price premium. It was thought that buyer resistance would be founded more along the lines of a certain degree of scepticism that Leyland could produce such a car, especially when previous attempts such as the Austin Freeway, Wolseley 24/80, Austin 1800 and Tasman/Kimberley offerings were not competitive with the others on engineering and body size.

As a further boost, Leyland decided had already introduced the Buyer Protection Plan back in February and added a catchy "anything but average" promotion in the lead up to the launch.

The main advantages over the competition were that all the model variations had superior interior space and boot capacity, front power disc brakes, 6 inch wide wheel rims, light weight engines, better handling and road-holding.

The main disadvantages were unknown public reaction to the styling, lack of a large optional 6 cylinder engine, deficiency in the range of engines offered, lack of option availability, shorter wheelbase compared to the larger versions of the competitor models.

The 1972/73 budget allowed for a price premium of $140 over the competitors, but by May 1973, price rises by the others had eroded this margin to about $100.

It had been a year since the last Model A proposal, and with an intended production for 1977, Anderson produced an updated submission with a more refined approach:

Fig. 8.10 Force 7 pre-production

"*Now what do you know about a motor car Mr Burden? You apparently did not road test the car and say nothing about the actual elements of the car or whether they were good or bad.…You get yourself in a real tangle in column 4 onwards stumbling over yourself to "rubbish" the car without any substance in your ravings."* Coppin goes on to list the creditable aspects of the car and then continues*…One might consider that the article was commissioned by General Motors and/or the other two. It is just the type of article which would suit their purpose… Viscous with no criticisms of sufficient substance to be argued in court and obviously designed to harm Leyland's sales of a car which is a direct and "dangerous" competitor in the popular field*."

Fast forward a moment to 2005, some thirty years after its demise, the program was still coming in for criticism with an article in the October 27th Sydney Morning Herald, saying that the P76:

"*always springs to mind as the car that was created entirely on research. It had a boot big enough to take a 44-gallon drum because that's what people in testing said they wanted out of a car – a big boot. The Leyland P76 was the most unsuccessful car launch in the Australian motor industry*."

But alas, it was not only motoring writers who were having trouble. Many dealers found themselves taking delivery of a car which required several days reworking in their own workshops before they could be offered for sale. Being much larger than all previous cars from BMC/Leyland, this meant the remedial work used resources at the expense of normal business. The required parts were sometimes just delivered by the factory in the cavernous boot. It was the dealers who coined the phrase, the P38 – you only got half the car and had to finish it off yourself.

Even once-proud owners were now finding things hard going. One car had been purchased by high profile radio personality John Pearce. Pearce was a regular visitor to North's office to air his grievances. Another owner took to circling the factory with a loud speaker extolling the faults of the vehicle. "living with the car" – the phrase used by Prescott six months previously, had taken hold.

In July 1974, another safety-related recall campaign was launched for the four door saloon to modify the automatic transmission dip stick tube so that any discharge from it would be directed onto the ground instead of onto the exhaust manifold where it could catch fire.

In late May, the Sales and Marketing people were asking for something to lift sales. Financial Controller Frank Andrew asked Product Engineering Administration Manager Peter Davis to draw up specifications for a special production order on a Level 3, 4 door saloon with an automatic 3 speed floor shift transmission using components that were to be used on the S2. Based on the V8 Super with floor shift automatic, the

Fig. 8.11 Targa Florio, 1974.

Fig. 8.12 David Abell.

equipment included as standard were alloy road wheels, special steering wheel, power steering, radial 185 tyres, radio with twin speakers, power aerial, laminated glass, reclining seats, full floor change console, metallic paint, limited slip differential, side decals, and air conditioning (option). Of course it was not generally known at this time that the S2 program was to be cancelled but the desire to use the parts from this car for a marketing update to the P76 must have caused some speculation. The resulting limited run (300) "Targa Florio" model released in August ($4,890) celebrated the outright win on that section in the World Cup Rally back in May and was an instant success. The distinctive side decals were drawn up using the Plan printing machine.

The introduction of the Targa Florio also led to a renewed interest in the P76 in the motoring press. Modern Motor (Nov. 1974 issue) later exclaimed that,

> "*If the Targa Florio which was the subject of this test is indicative of the current level of production quality, then Leyland are at last able to confidently say that they are approaching a satisfactory level of engineering quality. The finish of the car was first class…the finish and general appearance of the Targa Florio was the first thing to impress the test crew*."

But it was all to no avail. The earlier delays at PSF, the changeover of stylists, high turnover of factory workers, and the unconventional body design had all taken their toll.

In mid-June, 31 year old David Abell was sent out from UK to review the situation at Waterloo. He was not impressed. Upon his return to UK, he recommended that the plant be closed. Barber offered him the job, and so Abell found himself at Waterloo in mid July ready to make the company profitable by any means possible.

At the end of June, some 1000 workers were laid off. Morale plummeted.

On the 11th of July 1974, the Industries Assistance Commission (IAC) had released a report resulting from the Tariff Board Enquiry. The IAC Report was made public before being made available directly to Leyland Management and so the Press got hold of it in short order. From press reports, it seemed that the suggested 80%

In June factory managers collectively were requested to lose overall 1200 staff and factory personnel. At that time if you were over 65 you could be retired legally. Someone asked at the meeting if anyone had checked the ages of staff and factory employees. The answer was No. The meeting was postponed until a check was made. At the next meeting, it was revealed that there were 283 personnel employed over 65 this resulted in the total to be reduced by 283. It was found that a factory person in the Unit Plant was aged 83.

Fig. 8.19 Aerial view of Victoria Park, south at the top, 1974.

The site was valued by the Australian Government Valuer at $20.5M with the land worth $13.5M and the buildings and ground improvements at $7M, the latter being lost should the land be redeveloped into housing. Even so, the figures were considered exorbitant by the Government and so negotiations with the Company led to a slight reduction to $19.5M provided settlement occurred before 1st December.

The Company Directors, including Kjell Eriksen (by now Director of Product Engineering and Quality Control) were nominated to select the ongoing engineering personnel to be carried forward to the reduced organisation. Personnel were to be placed into three classifications:

1. Carry-over personnel (to stay on in the slimmed down organisation)
2. Short Term personnel to help with the closure of the Victoria Park and while employed, to have a 20% loading on their normal salary
3. Redundant personnel to be let go immediately

Peter Davis was appointed to undertake the necessary action for the whole of Product Engineering staff and was sworn to secrecy. At the same time work on the P76 facelift was getting under way with Product Engineering. Davis, knowing what was to come but unable to tell anyone, was under fire from Fulford for not moving fast enough to document the facelift amendments. The most serious problem facing Davis was that most the Engineering staff at Waterloo were too highly qualified for the on-going duties envisaged for Engineering Services at the Moorebank site. Thirty two personnel would be offered on-going positions and another six filled by advertisement.

Product Engineering was selected as the first departmental to have the retrenchment action undertaken. Employees in Classification 1 were requested to move to Engineering Services. They were required to answer yes or no on the spot. If they answered “yes”, they continued employment. If they answered “no”, they were immediately made redundant. Employees in Classification 2, for short term employment, were also given an option “yes” or “no”. Because of the large numbers in Classification 1, there were several vacancies offered to them for Classification 2. If they answered “yes”, they had short term employment. “No”, they were immediate made redundant. Employees in classification 3 – immediate redundancy.

Fig. 9.8 Bondi Junction Offices of Leyland Australia.

Fig. 9.9 George King.

The Sales and Marketing Division comprised wholesale operations under John Rodgers, Customer Service under Norm Prescott, and Retail Operations under the direction of Harry Forsyth. Direct retail operations would only take place where there was no established dealer and that market conditions warrant it. The major marketing effort would take place through independent franchised retailers.

At the executive level, company stalwart Norman Lawrance was appointed director of Corporate Affairs and Secretarial. Vic Drew, who had run the Parts and Accessories Division since its inception was moved into a new role as Director of Special Projects.

King's intention was to streamline and simplify operations and improve relations with dealers so that they didn't have to deal with disparate systems for different products.

David Andrews, head of the British Leyland International Division, visited the company in November 1975. The first item on the agenda was a sight-seeing tour of Sydney Harbour on a launch owned by car dealer Ron Hodgson. Beginning at 9am on Monday morning of the 1st December and going through until Tuesday afternoon, Andrews attended presentations from the new Directors in the Bondi Junction board room. This was followed by impromptu visits to the Enfield site, Engineering Services, and Parts and Accessories – all in the space of one afternoon. He then attended a national dealer council meeting at the Lakeside Hotel in Canberra, and the following day, went to Melbourne to inspect assembly of the Triumph 2500 at AMI. He also visited the Footscray truck plant. Back in Sydney, a final meeting was held with company executives before his departure back to UK.

Andrews must have been satisfied with what he saw since the restructured operations went ahead, and for some years into the future.

The relationship with the Government was, at this time, in a considerable state of uncertainty. Actions arising from the recommendations of the IAC Report of late 1974 had not yet been decided before the Whitlam Government went out of office and an election had been called for 13th December 1975 by the caretaker Prime Minister Malcolm Fraser. Triumph, Jaguar and Daimler were imported CBU from the UK under a concessional quota of 2,210 units with the IAC recommending that this be maintained until 31st December 1976. The Rover 3500 was being imported CBU from New Zealand under a free trade agreement. Range Rover, being a UK CBU import, and being a four wheel drive vehicle, was not subject to an import quota. Parts for Minis were being imported without a duty imposed by customs by virtue of the high local content remaining in this vehicle.

Rover from CKD packs commenced at Enfield, and an expansion of the Denning coach plant in Brisbane was completed.

Fig. 9.25 The newly-completed Leyland Australia "Environmental Protection Centre", Moorebank, 1974.

The evaluation Mastiff vehicles were tested by the Army alongside competing products from Mack and Hino. To the surprise of many, the contract was awarded to Mack. Within Leyland, it was not much of a surprise. During field trials, many shakedown problems occurred, and this must have counted against the Company's bid.

In early 1980, Habgood and Allen Hausler (Commercial Sales) travelled to UK to discuss the truck market in Australia. Apart from mandatory requirements, they identified those items which would be demanded by the market within the next few years: air conditioning, laminated windscreen, automatic transmission, two-line brake system, light tare weight, higher horsepower and lower fuel consumption.

The current truck range was officially listed as Terrier Diesel, Boxer 5, Boxer 8, Boxer 8 turbo, Chieftain 98, Chieftain Tandem, Super Comet, Reiver 6x4, Mastiff 4x2, Mastiff Tandem, Harrier 8x4, Marathon 4x2, Marathon 6x4, even though only the red line Boxer range was being assembled at Enfield. The proposed new model range would add changes in specifications to existing models and add a new model based on the UK 210/3.5, Mastiff 8x4 (based on Harrier), Harrier 4x2, Harrier 6x4. The projected timing would be from 1981 to 1982 for the Harrier range, and 1982 to 1985 for the others. By 1981, this plan had changed from what was a "minimum change" to the UK model range to a range more reflective of the local market. These new proposals addressed the declining market share, poor reputation for quality and reliability and after sales backup, poor acceptance of the unique Leyland engines and the relatively unknown Spicer gearbox. Habgood proposed a change to Cummins diesel engines and Fuller transmissions for the heavy range and detailed engineering changes for all ranges for front and rear suspension, wheel bases, brakes and road wheels. Evidently the Company took little interest since the truck range was soon to finish up.

Profit for 1980 was reported as $3.383M. Managing Director Frank Andrew went back to UK and took an executive position at the Leyland Bathgate plant in Scotland. R.J. Hancock was appointed as the new Managing Director, the executive offices by this time being located in a new extension at the Parts and Accessories site in Liverpool. He filled the post only for about year before he too transferred to Bathgate. Phil Hovell was then appointed Managing Director in February 1981.

Fig. 10.13 The Moorebank facility renamed Land Rover Australia (note JRA signage at left of building).

A reconstruction plan would be formulated to determine if the company could trade its way out of trouble.

- The Bank of New Zealand would convert its loan debt to preference share capital of JRA Limited.
- Surplus properties would be sold, with the proceeds used to reduce the Bank's indebtedness.
- Shareholder unsecured loans would be paid at 1c in the dollar.
- Shareholder secured loans of $9M would be converted to preference shares in JRA Limited.
- Unrealisable investments would be written off.
- Trade creditors claims of approximately $19M would be satisfied by issue of preference shares
- Assets of Austral Group would be transferred to JRA Limited.
- And the shareholders of JRA Holdings would transfer their total shares for $1

The alternative to the plan would be for the Receivers and Managers to attempt to sell the business as a going concern or liquidate it. The preferred reconstruction scenario would return no value to shareholders in JRA Holdings but would allow JRA Limited to trade as a major supplier to the bus, coach and fire appliance industries, provide employment for about 700 people, and provide a return of about 30c in the dollar to trade creditors.

Two weeks later, on the 26th May 1993, the Receivers and Managers announced that an agreement to the proposed restructure was received from all the major shareholders.

The Receivers and Managers could not find a buyer for the New Zealand Coachwork company and it was closed, with the buildings and machinery sold at auction. Lucas Service was also sold. Austral was valued at $10.28M. The manufacturing facility at Moorebank was dismantled, the Army giving no indication that orders for any more Land Rover vehicles would be forthcoming.

The scheme of arrangement for JRA Limited was approved by the Supreme Court of NSW on 23rd July 1993.

The statement of accounts for the year ended June 1993 indicated a loss of $28,182,000. No dividends were declared.

The following year reported a loss of $845,000, and in 1995, a loss of $3M.

During the period of the receivership, Austral, Denning, PMC and Hino Bus Australia continued to supply products to local and state governments, military bodies and private customers in Australia and overseas under the watchful eye of the Receivers.