



Department of Economic Development, Jobs, Transport & Resources

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Senate Economics References Committee Inquiry into the future of Australia's automotive industry Hearing of 10 March 2014

Department of Economic Development, Jobs, Transport and Resources Responses to Questions on Notice

Q1: With how many companies has the Victorian Government had discussions about possible motor vehicle manufacturing in Australia?

Answer: The Victorian Government has had discussions with six companies relating to possible interest in motor vehicle manufacturing in Australia in the past three years, but none have made any commitment to invest.

Q2: When did the Victorian government write to Minister Macfarlane and when did you receive the advice that your offer had been rejected?

Answer: Minister D'Ambrosio wrote to Minister Macfarlane on 22 December 2014 about the Andrew's Government's election commitments regarding the Geelong Regional Innovation and Investment Fund and Melbourne's North Innovation and Investment Fund. Minister Macfarlane responded in his letter dated 28 January 2015.

Q3: Is there anything in the Automotive Transformation Scheme that needs amendments, regulatory changes, to allow for new entrants?

Answer: The criteria under the Automotive Transformation Scheme (ATS) should be broadened to assist businesses transition into the global automotive sector or diversify into non-automotive sector.

Potential amendments to the ATS that could encourage new vehicle producers could include: relaxing the current volume requirement to be eligible for ATS funding; allowing automotive R&D work done in Australia for non-ATS recipients to be eligible for ATS funding; and incentives under ATS to encourage local content.

Changes to ATS funding arrangements should only be considered in close consultation with the sector, particularly supply chain manufacturers, to ensure the scheme is effective in assisting the supply chain to transition between now and 2017, as well as to ensure that the scheme is utilised in order to attract ~~future investment in~~ key industry sectors that have the potential to create advanced manufacturing jobs post 2017.

Jay Meek

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