

## **Additional comments from the Australian Greens**

1.1 The Australian Greens recognise that there are significant challenges facing the industries and workforce of Australia's automotive manufacturing sector.

1.2 This senate inquiry into the future of Australia's automotive industry has elicited important evidence demonstrating how these challenges will impact the various businesses, workers and communities engaged with automotive manufacturing currently.

1.3 The committee report provides a set of strong recommendations following the committee's inquiry into the issues facing Australia's automotive industry. The Greens support these recommendations, but wish to highlight a number of areas where the majority report fails to emphasise timely and future-proofing action in order to insulate against the collapse of key industries.

1.4 The Greens put forward additional comments to the inquiry's interim report. In these additional comments to the final report we will reiterate our earlier proposed recommendations, but we will endeavour not to repeat previously submitted additional comments.

1.5 The Australian automotive components industry is in crisis and without prompt action there is a real prospect most of the components industry will not survive the transition. Successive governments' lack of action to support transition in the industry could see the component sector collapse and the big car makers leave early, with potentially devastating consequences for hundreds of thousands of workers and their families.

1.6 As noted in our additional comments to the inquiry's interim report, electric mobility is the future. By joining the shift to electric and alternative-fuel vehicles Australia will reap enormous benefits in the economy and the environment. Electric vehicles are cleaner and can be powered by renewable energy. They can contribute to electricity demand management by providing battery storage to the grid. Over the coming decades electric vehicles will join internet, mobile communications and distributed energy in transforming our economy and society. The government can play a role in creating a domestic market for electric vehicles.

1.7 The Greens echo the majority recommendation to redefine the Automotive Transformation Scheme into a broader, automotive related advanced manufacturing, engineering and design program that is intended to maintain skills and industrial capabilities and mitigate the loss of jobs by supporting supply chain diversification, new manufacturing investment and jobs growth. However, we believe there should be a timeframe placed on this recommendation to ensure this occurs as a matter of urgency, given the imminent exit of the major automotive manufacturers.

1.8 Opportunities would be missed if a new plan wasn't put in place soon. Ford's planned exit in 2016 together with shrinking forward orders in the component sector frees up savings in the Automotive Transformation Scheme which could be redirected and spent on a longer-term jobs plan.

1.9 The Greens support the recommendation to broaden the object of the Automotive Transformation Scheme to drive diversification and transformation activities. We consider complementary industries, for example electric or alternative fuel vehicles and renewable energy technologies should be given priority support.

1.10 We note the majority recommendation for government to urgently develop and implement a coordinated strategy to avoid social and economic catastrophe associated with the closure of vehicle manufacturing. We would add to this recommendation that such a strategy must have a level of guidance based on the evidence presented to the committee. For example, we would see value in highlighting issues as skills and job transitions, community support and services, and appropriately targeted economic stimuli for communities facing downturn following the exit of 'Big 3' manufacturers.

1.11 The Greens note the recommendation to conduct a review of Voluntary Code of Practice for Access to Service and Repair Information for Motor Vehicles. We believe that the voluntary nature of the Code should be a key aspect of that review, as the committee heard evidence that so far this Code had poor take-up and impact in its first year. The Greens submit that this review should be undertaken as soon as possible, and making this Code mandatory should be under strong consideration.

1.12 In summary, the Greens do not oppose the intent of the recommendations in the committee's report, but we believe they are not sufficiently forward thinking. We would adopt those recommendations, but would modify them to incorporate the following, as foreshadowed in our additional comments in response to the inquiry's interim report.

### **Recommendation 1**

**1.13 The Greens recommend the ATS and its governing legislation be amended to:**

- **Continue support to currently eligible ATS recipients**
- **Establish a Green Car Transformation Scheme and redirect the estimated \$800m ATS underspend towards the scheme.**
- **Broaden the eligibility for new entrants to the scheme by removing current requirements for Australian component manufacturers to be producing components for Australian major vehicle producers to be eligible for assistance.**
- **Focus assistance on auto parts makers that are seeking to be part of the local or global supply chain for electric vehicles or vehicles not powered by fossil fuels.**
- **Provide support for any new major vehicle producers that are established and invest in Australia that intend to produce electric vehicles or vehicles not powered by fossil fuels.**
- **Extend the above assistance beyond the current and proposed government end date for the ATS for the next ten years until 2025.**

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- **Favour new applicants who commit to hiring workers made redundant from existing car or component makers.**
  - **Increase transition assistance to workers in the industry.**
  - **Enable eligible participants to receive payments in quarterly instalments referable to the expenditure incurred in the preceding quarter.**

## **Recommendation 2**

**1.14 In addition to the above measures, the Greens recommend:**

- **Establishing a fund to support incentives and infrastructure support to encourage the purchase and rollout of electric vehicles in Australia.**
- **Immediately placing on the Council of Australian Government's agenda the development of a policy framework for electric and alternative fuel vehicles including:**
  - **implementation of consumer incentives for electric vehicle ownership including, registration rebates or cash-backs, tax credits as well as significant targets for government fleets;**
  - **putting in place a regulatory environment that supports electric vehicles such as regulation of deployment and the setting of competition and policy standards; and,**
  - **maximising energy opportunities through appropriate regulation, such as requiring "smart" charging sourced through renewable energy.**
- **The Government, like the US and Germany, should commit to a near term target for the take up of electric vehicles in Australia.**

**Senator Janet Rice**

**Australian Greens Senator for Victoria**

