

Government Senators' Dissenting Report

1.1 As announced on 10 March 2015, the Government will not make changes to the current Automotive Transformation Scheme (ATS) legislation.

1.2 The ATS programme will remain in place and will come to a natural conclusion at the end of 2017 when Holden and Toyota end their Australian manufacturing (following Ford in 2016).

1.3 The Government's decision gives component makers more certainty and more assistance to transition their businesses to cope with the decline in production as a result of the independent decisions of the car makers to leave Australia.

1.4 This means that the original \$300 million legislated cap on funding for each of the years from 2015 to 2017 remain in place.

1.5 The ATS is linked to production volumes; therefore, there will be a declining demand for the ATS as Australian car production winds down.

1.6 The industry has indicated that it is likely to draw down \$175 million of the \$500 million that has been restored to the legislated cap for the period 2015–2017.

1.7 The Government will continue to support component makers in transitioning their businesses to cope with the decline in production as a result of the independent decisions of the car makers to end manufacturing in Australia.

1.8 Most of the savings from the programme will still be realised, based on production volumes as Ford, Holden and Toyota wind down production based on their independent decisions to end domestic car manufacturing.

1.9 As stated by former ALP Prime Minister Paul Keating in the Sydney Morning Herald in July 2000:

What do I say (to people who lost their jobs); what is your new job like? One of the 2.5 million created since the early 1980's. People have found better jobs. I mean, did we ever hurt anybody liberating them from the car assembly line? Of course we didn't. And the way people talk about this free and fair trade, as if the economy is static and not dynamic, and a job lost is not a job replaced, is just bunkum.

Senator Sean Edwards
Deputy Chair

