

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Budget Estimates 2014-15
Tuesday 3 June 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: PC Review into the Automotive Industry

REFERENCE: Question on Notice (Hansard, 3 June 2014, page 72)

QUESTION No.: BI-77

Senator XENOPHON: Has the department considered—and I can put this to the minister—varying the terms of the ATS to allow greater flexibility given what will occur post 2017? In other words, at the moment the legislation is clear—the criteria are clear for funding. But given that some of these companies will need to transition out of automotive to another form of manufacturing, is that something the department and the government have indeed looked at?

Mr Ryan: What I can say is that the government has received the Productivity Commission report on the future of the—

Senator XENOPHON: Which has not been released yet.

Mr Ryan: It has not been released.

Senator XENOPHON: Can you tell me when it will be released?

Mr Ryan: I cannot tell you that, but I can say that when the government gives its response to that it may actually cover off what you are raising at the moment.

Senator XENOPHON: But are we looking at two months, three months, four months? I do not know whether the minister can help me on that.

Senator CASH: To the extent that I am able to assist you, my understanding is that automotive policy will now focus on assisting an industry that is in transition, so that is certainly the intent of the government. We are still considering the findings of the Productivity Commission's review into the automotive industry, and I understand that the minister hopes to respond to that in the coming weeks. In particular, in terms of the minister and the key players within the industry, my understanding is that the minister remains in constant contact with them. In relation to the rest of the question, though, I would have to take that on notice.

ANSWER

The Government is considering the Productivity Commission's Report on Australia's Automotive Manufacturing Industry and will finalise its response in the near future.

On 30 April 2014, the Government announced the \$155 million Growth Fund. The Fund includes the \$20 million Automotive Diversification Programme which will assist automotive supply chain firms capable of diversifying to enter new markets.