

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2015-16 Supplementary Budget Estimates Hearing
22 October 2015

DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Automotive Transformation Scheme

REFERENCE: Written question – Senator Xenophon

QUESTION No.: SI-62

I refer to the recent article in the SMH ‘Australia’s car industry one year from closing its doors’. I note University of Adelaide researchers estimate the closures will trigger a net loss of just under 200,000 jobs and \$29 billion off Australia’s GDP.

As you would be aware the Government is planning to wind up the ATS when car making finishes in 2017. However, industry experts and academics believe the funding should run until 2020/21 and be broadened to give businesses within the supply chain a chance to diversify.

Has the Department conducted any modelling on potential job losses with the ATS winding up the ATS earlier than legislated?

Has the Department considered the cost of keeping the scheme versus the potential bill from job losses and publicly-funded redundancies?

ANSWER

On 10 March 2015, the Australian Government announced that the Automotive Transformation Scheme (ATS) would continue as legislated. The Department of Industry, Innovation and Science has not conducted specific analysis of the job losses associated with winding up the ATS earlier than legislated.

A wide range of issues associated with the impact of the end of passenger vehicle manufacturing in Australia, were considered through the Economic Reviews of the South Australia and Victoria and the development of the \$155 million Growth Fund.