

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2015-16

Finance Portfolio
 20 October 2015

Department/Agency: Department of Finance

Outcome/Program: 1/1.1

Topic: Automotive Transformation Scheme

Senator: Wong

Question reference number: F60

Type of question: Written

Date set by the committee for the return of answer: Friday, 4 December 2015

Number of pages: 2

Question:

1. What is the legislated funding allocation for the Automotive Transformation Scheme, over the forward estimates and the duration set by the legislation?
2. What is the budgeted funding allocation for the Automotive Transformation Scheme over the forward estimates?
3. Will there need to be new spending required in order for the budgeted funding allocation to meet the legislated funding allocation? If so, could the Department provide the profile of this funding over the forward estimates.

Answer:

The *Automotive Transformation Scheme Act 2009* provides legislative authority for the Automotive Transformation Scheme (ATS). The Budget estimates are based on the demand for the programme, as shown in the following table.

	2014-15 (\$m)	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)	Total (\$m)
Legislated funding	351.0	300.0	300.0	258.4	175.0	91.7	25.0	1,501.1
Budget Estimates	251.0	226.0	166.0	63.0	0.0	0.0	0.0	706.0

The Government decided in the 2015-16 Budget not to proceed with previously announced savings measures (*Automotive Transformation Scheme – revised implementation* measure) on the basis that most of the savings will be realised as a result of decisions taken by car manufacturers to cease manufacturing in Australia from 2017.

The net impact of the 2015-16 Budget decision is \$105 million (from 2014-15 to 2020-21).

This reflects the reality that the decisions taken by motor vehicle manufacturers to cease production in Australia by the end of 2017 have reduced demand for the ATS by \$795 million over seven years from 2014-15.