

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Supplementary Budget Estimates Hearing 2008-09
22-23 October 2008

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: Car Manufacturing

REFERENCE: Question on Notice (Hansard 23 October 2008, E73)

QUESTION No.: SI-40

Senator ABETZ—In fairness, the minister might have to take this on notice. There seems to be a view that Australian car manufacturers will struggle to meet the government's target of 20 per cent greater fuel efficiency by 2010. How do we propose to deal with that, or do we say that such reports are wrong?

Mr Paterson—I do not know the basis upon which that report has been made.

Senator ABETZ—Please take that on notice and, in specific terms, I refer you to an article on page 2 of the *Australian* of 16 June 2008. Was the department involved in any way in the drafting of the amendments to the luxury car tax? I understand that you were not consulted, so I assume that you were not involved in any drafting either.

ANSWER

The Government and the Federal Chamber of Automotive Industries (FCAI) have negotiated an agreement on a voluntary National Average Fuel Consumption target for new passenger cars of 6.8 litres per 100 kilometres by 2010. The *New Car Plan for a Greener Future* provides support for the industry to become more environmentally sustainable. For example, the Green Car Innovation Fund will focus on projects and proposals that will significantly reduce fuel consumption, greenhouse gas emissions, or weight in vehicles.

The Department was not involved in drafting either the Tax Laws Amendment (Luxury Car Tax) Act 2008 (No. 101, 2008) or the Tax Laws Amendment (Luxury Car Tax-Minor Amendments) Bill 2008.