

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
Additional Estimates 2014-15
26 February 2015

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: Automotive job losses

REFERENCE: Question on Notice (Hansard, 26 February 2015, page 125)

QUESTION No.: AI-34

Senator XENOPHON: In the same set of answers the department indicated that whilst it had undertaken modelling on the number of predicted direct automotive job losses it had not undertaken any modelling on predicted job losses in the wider community. Will that be undertaken at all, in terms of the flow-through effects of the job losses?

Ms Chesworth: Again, perhaps we could just go back and check what work has been done on that. We have of course had the Productivity Commission report, which came out at a figure of around 30,000 employees. And there was another report that I believe came from an academic in South Australia which had a much higher figure.

Senator XENOPHON: That is Professor Spoehr.

Mr Chesworth: That is right. There are a couple of methodologies around, but perhaps I could go and check to see whether there has been any work done and then get back to you on that.

ANSWER

The department undertook analysis of predicted direct automotive job losses as part of the economic reviews of South Australia and Victoria.

The department has not undertaken any analysis of potential job losses in the wider economy.

Productivity Commission's report on Australia's Automotive Manufacturing Industry also addresses the issue of potential job losses.

There are a number of methodologies available that can be used to estimate the number of indirect job losses associated with the closure of automotive vehicle producers. The April 2014 report by the Australian Workplace Innovation & Social Research Centre (WISeR) and the National Institute of Economic and Industry Research (NIEIR), *Closing the Motor Vehicle Industry: the Impact on Australia*, used a methodology based on input-output tables. Other methodologies, such as those that use Computable General Equilibrium models, can more accurately capture the integrated aspects of different economic sectors.