

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Additional Estimates Hearing 2009-10
10 February 2010

AGENCY/DEPARTMENT: INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

TOPIC: Manufacturing

REFERENCE: Written Question – Senator Eggleston

QUESTION No.: AI-51

In the case of the Automotive Industry Structural Adjustment Program:

- a. What are its objectives?
- b. How much funding was provided?
- c. How much has been spent?
- d. How many applications have been received and how many have been successful?
- e. If the funds are underspent will the program be rolled over so that the funds remain available?
- f. Does the program allow for labour force restructuring? If not, why not?
- g. Given any underspend, is consideration being given to adjusting the guidelines to make them less restrictive?

ANSWER

- a. The Automotive Industry Structural Adjustment Program (AISAP) encourages and facilitates industry consolidation and labour adjustment to minimise disruptions from firm closures and to achieve global economies of scale for competitive industry participants.

Information on the program is publicly available at:

<http://www.innovation.gov.au/Industry/Automotive/Pages/AISAP.aspx>

- b. The Automotive Industry Structural Adjustment Program (AISAP) has funding of \$78.016 million (GST exclusive) to facilitate consolidation through structural adjustment grants administered by the Department of Innovation, Industry, Science and Research (DIISR); and \$35.1 million in labour market adjustment assistance delivered by the Department of Education, Employment and Workplace Relations (DEEWR).
- c. \$26.7 million (GST exclusive) has been committed to 31 January 2010 for structural adjustment grants administered by DIISR.
- d. Twenty-one applications have been received for structural adjustment grants administered by DIISR and eight have been successful.
- e. If there were to be an underspend any decision to roll over funds would be a matter for the Government.

- f. The Program contains an element for labour market adjustment assistance administered by the Department of Education, Employment and Workplace Relations (DEEWR.).
- g. The Department is not in a position to determine at this stage whether there will be an underspend for the program.