

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 91

Topic: \$6.2 Billion Package for the Automotive Sector

Hansard Page: E121

Senator Abetz asked:

Senator ABETZ—Whilst you are gathering, I may then quickly ask a few questions on the \$6.2 billion package for the automotive sector. Was Treasury advice sought in relation to that program?

Mr Francis—Yes, it was, Senator.

Senator ABETZ—Was any modelling done of the value to be obtained per job?

Mr Francis—Not by Treasury, Senator.

Senator ABETZ—We have no analysis of how many jobs the \$6.2 billion will support over the period?

Senator Conroy—How many people work at General Motors?

Mr Francis—Not by Treasury. My understanding is that GM, for example, employs about 6,000 people. I think about 20,000 are employed overall. If you want precise figures, you are better off directing your question to the Department of Innovation, Industry, Science and Research.

Senator ABETZ—All I am asking is whether Treasury modelled it, and the answer is no. To your knowledge, did the industry department model it?

Mr Francis—I think it is a question you should direct to that department, Senator. I am unaware.

Senator ABETZ—It is either within your knowledge or it is not. Is it within your knowledge that industry did so?

Mr Francis—I am unaware.

Senator ABETZ—If you are unaware, that is fine, thank you. If I can drive this thing, Dr Henry, I might find a quotation of something you said some time ago. What I am looking at is the efficacy or the worthwhile nature of this. I think most Australians would prefer to have a car industry in this country, but you were quoted as saying—and I hope I am not verballing you: What this package has done is to increase the generosity of those assistance measures and to extend them for a further four years and that's all I'm prepared to say about that policy decision. Is that a correct reflection? It is in comparison, Dr Henry, to your willingness or volunteering to endorse certain government actions and policies by saying that it was based on Treasury advice and all the rest. It seemed to me, as a casual observer of these things, a somewhat lukewarm endorsement.

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Dr Henry—Senator, it is not ringing any bells with me. I am not saying I did not say it, but I would want to see a full transcript of both the question and the answer.

Senator ABETZ—It was in the *Australian* on 12 November 2008.

Dr Henry—That does not fill me with a lot of confidence, Senator.

Senator ABETZ—It was by the online political editor. It was in inverted commas, but that of itself does not necessarily mean that it was right. The story said: But Dr Henry said he would say that every time there were reductions in car tariffs there were parallel assistance measures announced. That paragraph was not in inverted commas, so it was the writer asserting that that was what you had said. The very last thing was in quotes, and I understand that that was a report. Just remind me when your Press Club appearance was. Was that November 12 2008? That might have been your Press Club speech, during the question and answer session. Take it on notice.

Dr Henry—I will take it on notice.

Answer:

Dr Henry is unable to confirm or deny the statement. An article in *The Australian* states the Secretary made this statement at a Press Club Luncheon on 2 December 2008. The audio recording from that date does not confirm the statement was made.