

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2012-13
28 and 29 May 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: Holden and Ford funding

REFERENCE: Written Question – Senator Bushby

QUESTION No. BI -157

1. In respect of the Government's recent \$215 million funding to Holden and \$34 million funding to Ford, Mr Durrant said, at the Estimates hearing of 29 May 2012, that the "funds came from the uncapped element of the ATS. However it is from a profile that is wider than the single year (2010-11)". Please clarify fully from which years' allocations to the ATS these amounts totalling \$249 million were sourced.
2. On what date did Holden first make its request for this new funding – and who initiated that request, and how?
3. On what date did Ford first make its request for this new funding – and who initiated that request, and how?
4. What conditions exist in the contracts with Holden and Ford that would enable them to be terminated?
5. Has all of the \$34 million grant to Ford already been spent? If so, on what date was the final payment made? If not, how much remains to be paid and when is it expected that the final payment will be made?

ANSWER

1. The funding for the grants to Ford Australia and GM Holden came from lower than forecast demand for the uncapped element of the Automotive Transformation Scheme's across financial years: 2011-12; 2012-13; 2013-14; 2014-15; and 2015-16.
2. On 28 October 2011, Mr Mike Devereux, Chairman and Managing Director, GM Holden provided a written proposal.
3. On 19 September 2011, Mr Robert Graziano, President and Chief Executive Officer, Ford Australia provided a written proposal.
4. The grant agreements with GM Holden and Ford Australia include termination for breaches of material provisions by the grant recipient.
5. The final payment was made to Ford Australia on 14 June 2012.