

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Innovation, Industry, Science and Research Portfolio  
Supplementary Budget Estimates Hearing 2010-11  
20 October 2010

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**AGENCY/DEPARTMENT:** INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

**TOPIC:** Cleaner Car Rebate Scheme

**REFERENCE:** Written Question—Senator Heffernan.

**QUESTION No.:** SI-92

"Cash for Clunkers" Policy:

Did the Department receive modelling from Treasury about the economy-wide effects of the 'cash for clunkers' programme, especially the likely flow-on impact on to other sectors, including retailing?

Given the clear bias in this scheme toward foreign-made cars, have you also received modelling to show what the impact will be on the numbers of jobs in the Australian car industry?

How many car dealers or representatives of car dealers did the Government consult prior to Julia Gillard announcing this scheme, and which ones?

How many car wreckers or representatives of wreckers did the Government consult prior to Julia Gillard announcing this scheme, and which ones?

What will be the implication of this scheme for Australian vehicle and component manufacturers - and for Australian workers who supply aftermarket parts, service and repairs?

A number of observers have pointed out that there's very limited incentive for potential sellers to simply get \$2,000 for their car to make the deal viable. Do you rule out increasing that amount of \$2,000 you will pay to those motorists who take part in the scheme?

Following the disastrous implementation of other Labor programs like the BER and the home insulation debacle, what sort of safeguards are you putting in place for 'Cash for Clunkers' to avert the potential for rorting and abuse?

When will the Department issue guidelines for applying for the \$2,000 grant?

From what date will the \$2,000 grant be accessible? How long will it take from the time of application to the time for payment?

**ANSWER**

No.

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The Department of Innovation, Industry, Science and Research (DIISR) was not involved in the process of deliberations on election commitments.

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No such research has been undertaken.

DIISR has been tasked with implementing the Cleaner Car Rebate election commitment as announced on 24 July 2010.

Guidelines are being developed, including anti-fraud and compliance regimes.

Guidelines are being developed and will be issued prior to the commencement of the Scheme on 1 July 2011.

The Government has announced that the Scheme will commence on 1 July 2011 and the grant applications can be made from that date. Mechanisms for delivering the Scheme and the payment process are being developed.