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On the day Ford shuts down its car making in Australia, and the last Holden Cruze rolls off the line at Elizabeth:

REVEALED: PARLIAMENTARY BUDGET OFFICE FIGURES SHOW UNDERSPEND OF \$1.24 BILLION ALLOCATED TO AUTO SECTOR

WHAT: Media Conference with Nick Xenophon

WHERE: Ebenezer Place, Adelaide

WHEN: 1pm, (SA time), 7 October 2016 (Today)

Senator Nick Xenophon says figures he has obtained from the Parliamentary Budget Office revealing an underspend of \$1.24 billion in the Automotive Transformation Scheme are a "disgrace given up to 200,000 jobs could be lost when car making shuts down in Australia completely by the end of next year".

The figures from the PBO (available on request) show an underspend of \$740 million in the capped component of the ATS and an underspend of '\$500 million relative to the original estimate of total funding' of the uncapped component of the ATS.

In addition the PBO report refers to the Automotive Diversification Program (ADP) where \$18 million has been spent.

Industry figures say the program was grossly over-subscribed with many worthy projects being left out.

Senator Xenophon wrote Industry Minister Greg Hunt earlier this week urging a new 'Automotive Sector Transition Plan', using the underspend to allow auto component companies to use the underspend to grow their businesses, and jobs.

"In addition to the almost 1000 direct jobs lost today, Australia faces a tsunami of job losses that could amount up to 200,000 by the end of next year. It is completely unacceptable that over \$1 billion is being underspent at a time when the industry

urgently needs funds to transition to new areas of manufacturing, export market generation, and enhanced R&D," Nick said.

Senator Xenophon has also called for Import Substitution Register that will help facilitate local industry to establish manufacturing and processing facilities to support local demand, by aggregating demand from individual manufacturers to build a critical mass.

"Unless there is an urgent cohesive plan to responsibly use that underspend, we are facing a massive welfare bill, social and economic devastation that will far outweigh the costs of providing targeted assistance and investment now," Nick said.

For further details please call Nick Xenophon 0411 626 677

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