

TREASURER TOM KOUTSANTONIS

Thursday, 22 June 2017

Funding to extend assistance for automotive supply chain

The 2017-18 State Budget includes an additional \$5 million over two years to extend the State Government's Automotive Supplier Diversification Program, which is assisting automotive supply chain manufacturers to diversify and secure work in other sectors.

The program, now extended beyond 2018, is part of the State Government's commitment to support automotive suppliers affected by the closure of Holden later this year.

The \$5 million investment is included in the State Government's \$200 million Future Jobs Fund, which will drive job creation in key growth sectors, and support initiatives like the Automotive Supplier Diversification Program to protect and grow jobs.

The State Government is calling on the Federal Liberal Government to match its \$200 million commitment to the Future Jobs Fund.

The Federal Government can draw the funding from the hundreds of millions of dollars in subsidies they are pocketing after withdrawing support for the automotive manufacturing sector.

Background

Today's additional \$5 million investment in the Automotive Supplier Diversification Program brings the State Government's total investment in the program to \$16.7 million.

To date, 18 grants and 19 fast-track initiative projects have been funded through the program. Some of the fast-track initiatives include:

- \$97,250 for Nu Metric Manufacturing for a project to diversify into defence industries and mining services.
- \$29,000 to ZF Lemforder Australia to assist in a strategic review.
- \$495,000 Quality Plastics and Tooling for a project to expand its product range into food, cosmetics and other non-automotive industries.
- \$200,000 to Rope and Plastic Sales to expand its product range into the domestic market.
- \$417,500 to Sonnex for ISO accreditation, new laser cutting capability and business mentoring.

Quotes attributable to Treasurer Tom Koutsantonis

In 2014, the State Government announced its \$60 million Our Jobs Plan in response to the announcement Holden would close in 2017.

We called on the Federal Government to contribute \$333 million to the plan.

Instead, the Federal Government's response to shutting down the automotive manufacturing sector in this country has been to offer less than \$150 million nationally, while pocketing hundreds of millions of dollars in subsidies.

Today, I have written to Treasurer Scott Morrison asking him to partner with us and match our \$200 million commitment to the Future Jobs Fund dollar-for-dollar to drive job creation in this state.

We had to stand up and fight to make sure the submarines and frigates were built in South Australia - as originally promised.

We fought to make sure our state got its fair share of water in the Murray-Darling Basin Plan.

And we have fought to oppose the cuts to our schools and health system.

We will also stand up for South Australia to ensure the Federal Government helps our state create jobs after they abandoned support for automotive manufacturing in South Australia.

Quotes attributable to Minister for Automotive Transformation Kyam Maher

When the closure of Holden was first announced, it was estimated that only a third of companies thought they would be able to continue in some form.

The Automotive Transformation Taskforce has visited all 74 supply chain companies and now about three-quarters of companies are expected to continue to have a footprint in South Australia.

State Government initiatives like the Automotive Supplier Diversification Program are making a difference, but we know there is still a lot of work to be done.

That is why the Federal Government must help our state create even more jobs, by matching us dollar-for-dollar in our \$200 million Future Jobs Fund.

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