













Automotive Transformation Scheme (ATS)

Overall	
The Australian automotive industry is transitioning away from local vehicle production and the scheme continues to support its customers through the legislative arrangements. The existing closure plans of the 2 motor vehicle producers (last quarter of 2017) and flow on effects to the supply chain customers are unchanged at this time.	
Financial	
No issues. No payments have as yet been made in this financial year.	
Business Outcomes	
Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
No issues.	
Service Delivery	
There are 108 customers registered for ATS.	
In March 2017, one former customer appealed to the Administrative Appeals Tribunal (AAT) to obtain an ATS payment for Q4 2016 despite the company being deregistered prior to the normal Q4 2016 payment period. Following a hearing before the AAT, the former ATS participant sought a reconsideration of a purported decision not to pay assistance in respect to that period. Following reconsideration, a decision was taken to make payment to this former ATS participant, which was made by 30 June 2017. The legal proceeding was then discontinued by the company.	
Capability & Capacity	
No issues	
Compliance	
On track to achieve compliance targets in 2017-18.	
Reputation	
No issues	

Strategic Overview – Tier 1
 Reporting Date: 30/09/2017
 PAC Meeting: 31/10/2017

Program	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Automotive Transformation Scheme

<p>Overall</p>	<p>The Australian automotive industry is transitioning away from local vehicle production and the scheme continues to support its customers through the legislative arrangements.</p> <p>The closure plans of the 2 motor vehicle producers take effect on 3 October and 20 October 2017 for Toyota and GM Holden respectively and the flow on effects to the supply chain customers are now impacting.</p> <p>ATS supply chain customers (105) have generally met their registration eligibility requirements in 2017 however at least half of these companies will be able to maintain their ATS registration in 2018. It is expected that around 25-30 companies will remain eligible for the scheme in the future. We also expect that up to 30 companies that are diversifying from local vehicle production but continue to have some automotive related business may seek the Minister's approval to continue in the scheme in 2018 under National Interest provisions.</p> <p>Significant job losses have already occurred with more expected in the coming month as final supply arrangements are completed.</p>
<p>Financial</p>	<p>No Issues.</p> <p>Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates. The next customer business plan update is due in November 2017 which will allow for further fine tuning of the demand for ATS assistance in future years.</p>
<p>Business Outcomes</p>	<p>Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.</p>
<p>Service Delivery</p>	<p>There are currently 107 customers registered for ATS.</p>
<p>Capability & Capacity</p>	<p>Staff are currently working actively to understand each customers ATS registration (eligibility) status and supporting businesses to either transition from the scheme or progress applications to continue their ATS registration in the National Interest.</p>
<p>Compliance</p>	<p>No Issues.</p>
<p>Reputation</p>	<p>Compliance targets are expected to be achieved despite being slightly behind schedule in the first quarter.</p>
<p>No Issues.</p>	

Department of Industry, Innovation and Science

Program Strategic Overview – Tier 1

Report Period: 30 November 2017

About this report

Under the Program Assurance Committee Terms of Reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.








Strategic Overview

<i>Programmes Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
<i>Automotive Transformation Scheme</i>	●	●	●	●	●	●	●

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Department of Industry, Innovation and Science
Program Performance Reports – Tier 1
 Report Period: 30 November 2017

<i>Automotive Transformation Scheme</i>	Comments	Status
<i>Overall</i>	s45	
<i>Financial</i>	No issues.	
<i>Business Outcomes</i>	s45	
<i>Service Delivery</i>	No issues.	
<i>Capability & Capacity</i>	No issues.	
<i>Compliance</i>	No issues.	
<i>Reputation</i>	No issues.	

Department of Industry, Innovation and Science








Program Performance Reports – Category 1

Report Period: February 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Strategic Overview

Program Title	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

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Department of Industry, Innovation and Science

Program Performance Reports – Category 1

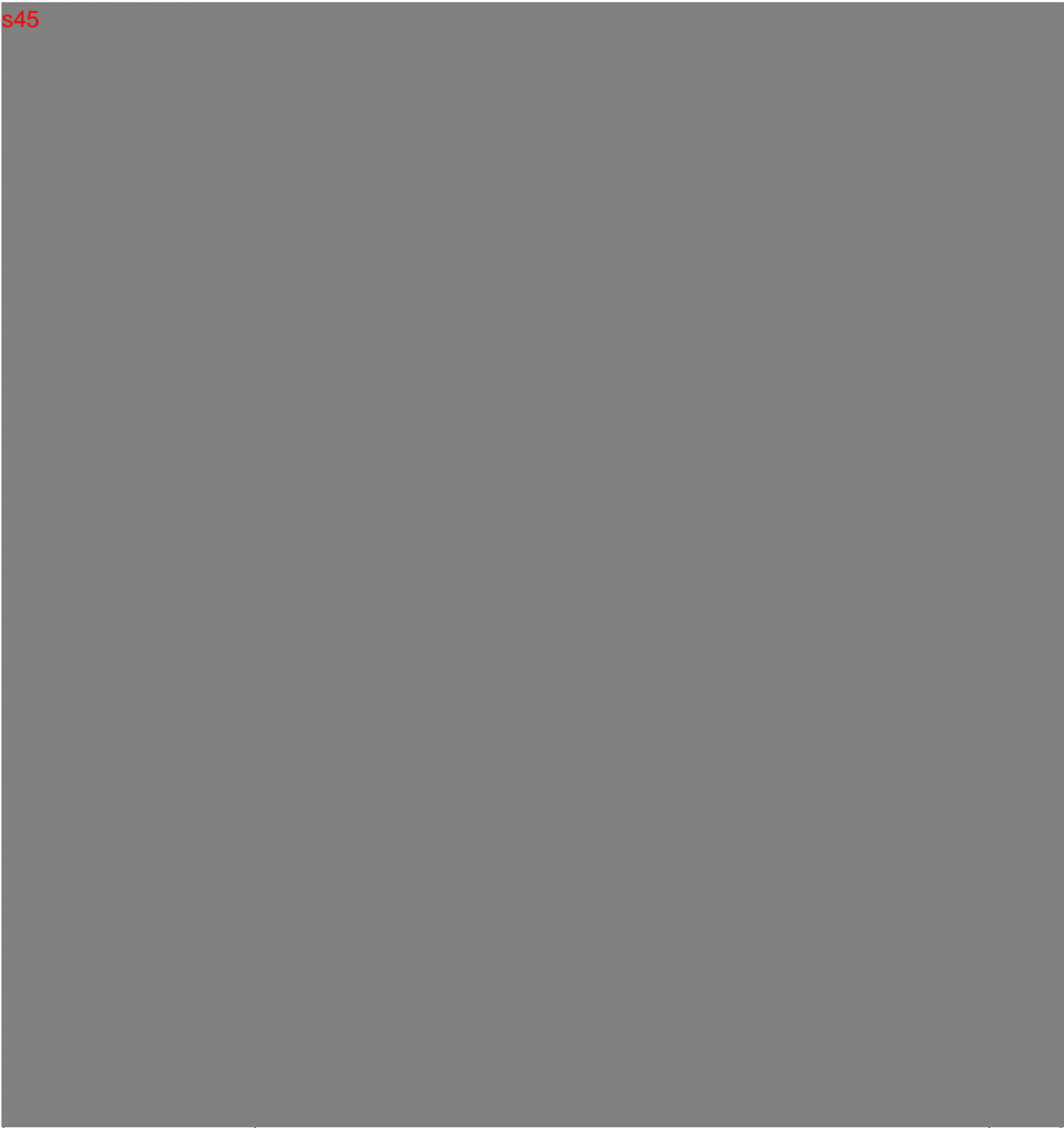
Report Period: February 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance

s45










<i>Automotive Transformation</i>	Comments	Status
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Department of Industry, Innovation and Science

Program Performance Reports – Category 1

Report Period: February 2018-19

<i>Scheme</i>		
<i>Overall</i>	<p>The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and provides assistance to registered participants for eligible motor vehicle production and eligible investment (in allowable plant and equipment and allowable research and development) through quarterly cash payments. Applications are open for annual registration in the Automotive Transformation Scheme under the following categories: motor vehicle producers (MVPs); automotive component producers (ACPs); automotive machine tool and automotive tooling producers (AMTPs); and automotive service providers (ASPs).</p> <p>There are currently 64 registered participants in the scheme. This includes one participant that is seeking the Minister's permission to continue ATS registration in the national interest. This participant remains 'registered' and receiving assistance until Ministerial briefings and decisions are made. It also includes 2 participants whose Continued National Interest period ended on 31 December 2018 and who will be deregistered after payment of Q4 2018 (which will be made by 31 March 2019). These two registrants have applied for new ATS registrations in 2019 under the National Interest provisions. One other participant failed its registration eligibility requirements in 2018 and was deregistered in early 2019. This participant lodged an application for a new ATS registration in 2019 under a different ATS category.</p> <p>All other activities remain constant.</p>	
<i>Financial</i>	<p>No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.</p> <p>New business plan forecasts were provided by registered participants at the end of 2018 and were used to determine updated customer demand, which underpin the updated program budgets for PBS 2019/20.</p>	
<i>Business Outcomes</i>	<p>Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.</p>	
<i>Service Delivery</i>	<p>Quarter 4 2018 returns have been received and payments of assistance in respect to that quarter will be made by 31 March 2019.</p> <p>Eight applications for new ATS registrations have been received for the 2019 ATS year. Six of the applications are made under the scheme's National Interest provisions, where the applicant cannot currently satisfy the minimum production requirements for eligibility under the Scheme. These applications require approval of the Minister prior to registration. Of the two other applications, one is a current registrant changing its registration type and there is one new application (not seen before).</p> <p>Decisions on these new registration applications are required prior to the cut off for Quarter 1 2019 returns in May 2019.</p>	
<i>Capability & Capacity</i>	<p>AusIndustry has the resources and skills necessary to manage the program.</p>	
<i>Compliance</i>	<p>AusIndustry undertakes Level 3 Compliance visits (target 25) and Compliance Audits (target 5) in each financial year. AusIndustry expects to achieve these compliance targets for the current financial year.</p>	
<i>Reputation</i>	<p>AusIndustry continues to work with registered customers as they transition their businesses following the closure of local motor vehicle manufacturing in October 2017.</p>	

Department of Industry, Innovation and Science








Program Performance Reports

Report Period: April 2017-18

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Department of Industry, Innovation and Science

Program Performance Reports


Report Period: April 2017-18

About this report

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Program Performance







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<i>Automotive Transformation Scheme</i>	Comments	Status
<i>Overall</i>	<p>The Australian automotive industry is transitioning away from local vehicle production and the scheme continues to support its customers through the legislative arrangements.</p> <p>Toyota and GM Holden closed their motor vehicle production facilities on 3 October and 20 October 2017 respectively.</p> <p>ATS supply chain customers have generally met their registration eligibility requirements in</p>	

Department of Industry, Innovation and Science

Program Performance Reports

Report Period: April 2017-18








	2017. As at 30 April 2018, there are 88 registered participants in the scheme. It is expected that around 20-25 companies will remain eligible for the scheme in the future. At this time, 38 companies that are diversifying from local vehicle production but continue to have some automotive related business have sought the Minister's approval to apply or continue in the scheme in 2018 under National Interest provisions. The remaining participants that are no longer eligible for ATS will be deregistered.	
<i>Financial</i>	No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates. Customer business plan updates were received in November 2017.	
<i>Business Outcomes</i>	Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
<i>Service Delivery</i>	Staff are currently supporting businesses to either transition from the scheme or progress applications to continue their ATS registration in the National Interest.	
<i>Capability & Capacity</i>	No issues	
<i>Compliance</i>	The team is tracking behind schedule (target 60 visits and reports) on its compliance target due to competing work priorities on other programs. A visit schedule has been implemented to 30 June 2018 to ensure the visits and reports are completed as forecast. At 30 April 2018, 31 company visits have been undertaken, with 24 visit reports completed. The team is able to now focus its efforts on meeting this target s22	
<i>Reputation</i>	No issues	

Department of Industry, Innovation and Science
Program Performance Reports – Category 1
Report Period – June 2017-18

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							



Department of Industry, Innovation and Science
Program Performance Reports – Category 1
Report Period – June 2017-18

About this report






Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance

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<i>Automotive Transformation Scheme</i>	<i>Comments</i>	<i>Status</i>
<i>Overall</i>	<p>Toyota Australia and GM Holden closed their motor vehicle production facilities on 3 October and 20 October 2017 respectively. As a result, supply chain customers have transitioned away from local vehicle production and the scheme continues to support its customers' ATS eligible activities through the legislative arrangements.</p> <p>Over the past 3-4 months, AusIndustry has determined 2018 ATS eligibility for its customers and at 30 June 2018 there are 67 registered customers in the scheme. This number includes 24 applications for the Minister's permission to continue ATS registration in the national interest. These participants remain 'registered' until the Minister has made her decision, which is expected no later than mid-September 2018.</p>	
<i>Financial</i>	No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.	

Department of Industry, Innovation and Science
Program Performance Reports – Category 1
Report Period – June 2017-18

<i>Business Outcomes</i>	Registered customers of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
<i>Service Delivery</i>	<p>Following the closure of vehicle manufacturing operation by Holden and Toyota in late 2018, the team completed a considerable project to determine each customers ongoing eligibility for the scheme and then either deregister customers, allow them access to 2018 payments or work with them to obtain applications to continue in ATS in 2018 with the Minister's permission in the national interest.</p> <p>AusIndustry is now waiting on decisions for the final 24 national interest applications, currently on their way to the Minister's for her consideration.</p>	
<i>Capability & Capacity</i>	No issues.	
<i>Compliance</i>	No issues. The 2017/18 level 3 compliance (60 visit/reports) and level 4 compliance (5 audit/reports) targets were achieved.	
<i>Reputation</i>	No issues.	

Department of Industry, Innovation and Science

Programs Strategic Overview Program Performance Report

Report Period: August 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Strategic Overview

<i>Program Title</i>	<i>Overall</i>	<i>Financial</i>	<i>Business Outcomes</i>	<i>Service Delivery</i>	<i>Capability & Capacity</i>	<i>Compliance</i>	<i>Reputation</i>
Automotive Transformation Scheme							

Department of Industry, Innovation and Science








Programs Strategic Overview Program Performance Report

Report Period: August 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance

Automotive Transformation Scheme	Comments	Status
<i>Overall</i>	<p>In the 2018 ATS year there are 65 registered customers in the scheme. This number includes 17 applications that are seeking the Minister's permission to continue ATS registration in the national interest. These participants remain 'registered' and receiving assistance until Ministerial briefings and decisions are made. The change of Minister has delayed this process.</p> <div style="background-color: #cccccc; width: 100%; height: 150px; margin-top: 10px;"> s45 </div>	
<i>Financial</i>	No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.	
<i>Business Outcomes</i>	Registered customers of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
<i>Service Delivery</i>	No issues.	
<i>Capability & Capacity</i>	No issues.	
<i>Compliance</i>	No issues.	
<i>Reputation</i>	No issues.	

Department of Industry, Innovation and Science

Programs Strategic Overview Program Performance Report

Report Period: October 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Department of Industry, Innovation and Science








Programs Strategic Overview Program Performance Report

Report Period: October 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance

Automotive Transformation Scheme	Comments	Status
<i>Overall</i>	<p>The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and provides assistance to registered participants for eligible motor vehicle production and eligible investment (in allowable plant and equipment and allowable research and development) through quarterly cash payments. Applications are open for annual registration in the Automotive Transformation Scheme under the following categories: motor vehicle producers (MVPs); automotive component producers (ACPs); automotive machine tool and automotive tooling producers (AMTPs); and automotive service providers (ASPs).</p> <p>In the 2018 ATS year there are 65 registered participants in the scheme. This number includes 17 applications that are seeking the Minister's permission to continue ATS registration in the national interest. These participants remain 'registered' and receiving assistance until Ministerial briefings and decisions are made.</p> <p>s45</p>	
<i>Financial</i>	No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.	
<i>Business Outcomes</i>	Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
<i>Service Delivery</i>	Quarter 3 returns and third quarter business plan updates are due to be lodged by registered customers by 14 November 2018. Payments of assistance in respect to that quarter will be made by 31 December 2018.	
<i>Capability & Capacity</i>	AusIndustry has the resources and skills necessary to manage the program.	
<i>Compliance</i>	AusIndustry undertakes Level 3 Compliance visits (target 25) and Compliance Audits (target 5) in each financial year. Plans are in place and AusIndustry expects to achieve these compliance targets for the current financial year.	
<i>Reputation</i>	AusIndustry continues to work with registered customers as they transition their businesses following the closure of local motor vehicle manufacturing in October 2017.	

Department of Industry, Innovation and Science








Programs Strategic Overview Program Performance Report

Report Period: December 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Department of Industry, Innovation and Science

Programs Strategic Overview Program Performance Report

Report Period: December 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance








s45



Department of Industry, Innovation and Science

Programs Strategic Overview
Program Performance Report

Report Period: December 2018-19

Automotive Transformation Scheme	Comments	Status
<i>Overall</i>	<p>The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and provides assistance to registered participants for eligible motor vehicle production and eligible investment (in allowable plant and equipment and allowable research and development) through quarterly cash payments. Applications are open for annual registration in the Automotive Transformation Scheme under the following categories: motor vehicle producers (MVPs); automotive component producers (ACPs); automotive machine tool and automotive tooling producers (AMTPs); and automotive service providers (ASPs).</p> <p>At the end of the 2018 ATS year (31 December 2018) there were 65 registered participants in the scheme. This includes one participant that is seeking the Minister's permission to continue ATS registration in the national interest. This participant remains 'registered' and receiving assistance until Ministerial briefings and decisions are made. It also includes 2 participants whose Continued National Interest period ended on 31 December 2018 and who will be deregistered after payment of Q4 2018. These two registrants have applied for new ATS registrations in 2019 under the National Interest provisions. One participant has failed its current registration and has eligibility requirements and has lodged an application for a new ATS registration in 2019 under a different ATS category.</p> <p>s45</p>	
<i>Financial</i>	<p>No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.</p> <p>New business plan forecasts were provided by registered participants at the end of 2018 and will be used to determine updated customer demand, which will underpin the updated budgets for PBS 2019/20.</p>	
<i>Business Outcomes</i>	Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
<i>Service Delivery</i>	<p>Quarter 4 2018 returns are due to be lodged by registered participants by 14 February 2019. Payments of assistance in respect to that quarter will be made by 31 March 2019.</p> <p>Eight applications for new ATS registrations have been received for the 2019 ATS year. Six of the applications are made under the scheme's National Interest provisions, where the applicant cannot currently satisfy the minimum production requirements for eligibility under the Scheme. Of the two other applications, one is a current registrant changing its registration type and there is one new application (not seen before).</p>	
<i>Capability & Capacity</i>	AusIndustry has the resources and skills necessary to manage the program.	
<i>Compliance</i>	AusIndustry undertakes Level 3 Compliance visits (target 25) and Compliance Audits (target 5) in each financial year. AusIndustry expects to achieve these compliance targets for the current financial year.	
<i>Reputation</i>	AusIndustry continues to work with registered customers as they transition their businesses following the closure of local motor vehicle manufacturing in October 2017.	

Department of Industry, Innovation and Science







Programs Strategic Overview Program Performance Report

Report Period: February 2018-19

About this report

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Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Department of Industry, Innovation and Science

Programs Strategic Overview Program Performance Report

Report Period: February 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance








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Department of Industry, Innovation and Science

Programs Strategic Overview Program Performance Report

Report Period: February 2018-19

Automotive Transformation Scheme	Comments	Status
<i>Overall</i>	<p>The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and provides assistance to registered participants for eligible motor vehicle production and eligible investment (in allowable plant and equipment and allowable research and development) through quarterly cash payments. Applications are open for annual registration in the Automotive Transformation Scheme under the following categories: motor vehicle producers (MVPs); automotive component producers (ACPs); automotive machine tool and automotive tooling producers (AMTPs); and automotive service providers (ASPs).</p> <p>There are currently 64 registered participants in the scheme. This includes one participant that is seeking the Minister's permission to continue ATS registration in the national interest. This participant remains 'registered' and receiving assistance until Ministerial briefings and decisions are made. It also includes 2 participants whose Continued National Interest period ended on 31 December 2018 and who will be deregistered after payment of Q4 2018 (which will be made by 31 March 2019). These two registrants have applied for new ATS registrations in 2019 under the National Interest provisions. One other participant failed its registration eligibility requirements in 2018 and was deregistered in early 2019. This participant lodged an application for a new ATS registration in 2019 under a different ATS category.</p> <p>All other activities remain constant.</p>	
<i>Financial</i>	<p>No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.</p> <p>New business plan forecasts were provided by registered participants at the end of 2018 and were used to determine updated customer demand, which underpin the updated program budgets for PBS 2019/20.</p>	
<i>Business Outcomes</i>	<p>Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.</p>	
<i>Service Delivery</i>	<p>Quarter 4 2018 returns have been received and payments of assistance in respect to that quarter will be made by 31 March 2019.</p> <p>Eight applications for new ATS registrations have been received for the 2019 ATS year. Six of the applications are made under the scheme's National Interest provisions, where the applicant cannot currently satisfy the minimum production requirements for eligibility under the Scheme. These applications require approval of the Minister prior to registration. Of the two other applications, one is a current registrant changing its registration type and there is one new application (not seen before). Decisions on these new registration applications are required prior to the cut off for Quarter 1 2019 returns in May 2019.</p>	
<i>Capability & Capacity</i>	<p>AusIndustry has the resources and skills necessary to manage the program.</p>	
<i>Compliance</i>	<p>AusIndustry undertakes Level 3 Compliance visits (target 25) and Compliance Audits (target 5) in each financial year. AusIndustry expects to achieve these compliance targets for the current financial year.</p>	
<i>Reputation</i>	<p>AusIndustry continues to work with registered customers as they transition their businesses following the closure of local motor vehicle manufacturing in October 2017.</p>	

Department of Industry, Innovation and Science




Programs Strategic Overview Program Performance Report

Report Period: April 2018-19

About this report

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Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Department of Industry, Innovation and Science








Programs Strategic Overview Program Performance Report

Report Period: April 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance

Automotive Transformation Scheme	Comments	Status
<i>Overall</i>	<p>The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and provides assistance to registered participants for eligible motor vehicle production and eligible investment (in allowable plant and equipment and allowable research and development) through quarterly cash payments. Applications are open for annual registration in the Automotive Transformation Scheme under the following categories: motor vehicle producers (MVPs); automotive component producers (ACPs); automotive machine tool and automotive tooling producers (AMTPs); and automotive service providers (ASPs).</p> <p>There are currently 61 registered participants in the scheme. This includes two participants that are seeking the Minister's permission to continue ATS registration in the National Interest. These participants remain 'registered' and receiving assistance until Ministerial briefings and decisions are made after the election is decided.</p>	
<i>Financial</i>	<p>No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.</p> <p>New business plan forecasts were provided by registered participants at the end of 2018 and were used to determine updated customer demand, which underpin the updated program budgets for PBS 2019/20.</p>	
<i>Business Outcomes</i>	Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme.	
<i>Service Delivery</i>	<p>Quarter 1 2019 returns are due to lodged by 15 May 2019 and payments of assistance in respect to that quarter will be made by 30 June 2019.</p> <p>Of the eight applications submitted for new registrations in 2019, two applications seeking the Minister's permission for ATS registration in the National Interest were approved for two years from 2019. A further two applications were withdrawn and one application was rejected as the applicant was not a producer of automotive components, as required by the Scheme. The remaining three applications for new ATS registrations for 2019 remain under consideration and will be finalised prior to processing of the quarter 1 2019 returns (with payments due to be made by 30 June 2019).</p>	
<i>Capability & Capacity</i>	AusIndustry has the resources and skills necessary to manage the program.	
<i>Compliance</i>	AusIndustry undertakes Level 3 Compliance visits (target 25) and Compliance Audits (target 5) in each financial year. AusIndustry expects to achieve these compliance targets for the current financial year.	
<i>Reputation</i>	AusIndustry continues to work with registered customers as they transition their businesses following the closure of local motor vehicle manufacturing in 2017.	

Department of Industry, Innovation and Science

Programs Strategic Overview Program Performance Report

Report Period: June 2018-19

About this report

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Strategic Overview

<i>Program Title</i>	Overall	Financial	Business Outcomes	Service Delivery	Capability & Capacity	Compliance	Reputation
Automotive Transformation Scheme							

Department of Industry, Innovation and Science








Programs Strategic Overview Program Performance Report

Report Period: June 2018-19

About this report

Under the program Assurance Committee terms of reference, Accountable Officers are required to provide regular program reports to the Committee addressing key aspects and risks to program performance. This report uses a Traffic Light Rating to highlight where a program issue/risk has been identified for the Reporting Period.

Program Performance

Automotive Transformation Scheme	Comments	Status
<i>Overall</i>	<p>The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and provides assistance to registered participants for eligible motor vehicle production and eligible investment (in allowable plant and equipment and allowable research and development) through quarterly cash payments. Applications are open for annual registration in the Automotive Transformation Scheme under the following categories: motor vehicle producers (MVPs)(no longer in the scheme); automotive component producers (ACPs); automotive machine tool and automotive tooling producers (AMTPs); and automotive service providers (ASPs).</p> <p>There are currently 62 registered participants in the scheme. This includes two participants that are seeking the Minister's permission to continue ATS registration in the National Interest. These participants remain 'registered' and receiving assistance until Ministerial briefings and decisions are made.</p>	
<i>Financial</i>	<p>No issues. Program budgets are based on customer demand and have already taken into account the downturn of the automotive industry in the forward estimates.</p> <p>New business plan forecasts were provided by registered participants at the end of 2018 and were used to determine updated customer demand, which underpin the updated program budgets for PBS 2019/20.</p>	
<i>Business Outcomes</i>	Registered participants of the ATS are continuing to invest in plant and equipment and research & development activities to improve their business in line with the policy intent of the scheme and in line with expected performance targets.	
<i>Service Delivery</i>	<p>The program area continues to manage day to day operation effectively.</p> <p>There are two applications seeking the Minister's permission to remain in the scheme in the National Interest. The program area is supporting Industry Growth Div. to brief the Minister.</p>	
<i>Capability & Capacity</i>	AusIndustry has the resources and skills necessary to manage the program.	
<i>Compliance</i>	AusIndustry has achieved 2018/19 compliance targets for Level 3 Compliance visits (target 25) and Compliance Audits (target 5).	
<i>Reputation</i>	AusIndustry continues to work with registered customers as they transition their businesses following the closure of local motor vehicle manufacturing in 2017.	



Minute

Gary Richards - General Manager
Advanced Manufacturing - Advanced Technologies

cc: Darren Atkinson

Jayne Facey - General Manager
Industry, Structural Adjustment & Science Programmes -
AusIndustry Business Services

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 1 2018

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

In October 2017, the last two Australian automotive vehicle manufacturing operations closed. As a result, the customer base for the Automotive Transformation Scheme will significantly reduce as will the demand for assistance against the scheme. At the last setting of modulation for quarter 4, 2017 there were 97 customers seeking assistance and in the current quarter there will be 67 customers.

Whilst the legislative fiscal caps remain in place, the foreseeable demand for assistance will not cause the modulation rates to fall below 1.0.

Issues

The review of actual activities in the first quarter of the 2018 ATS year against business plan forecasts (November 2017) indicates overall demand for assistance in 2018 of \$64 million (\$23 million for the one MVP and \$40.6 million for non MVPs/supply chain) which is well below the regulated funding available in the year (\$507.8 million). As expected overall demand for assistance by MVPs and Non MVPs has dropped in this quarter following the closure of motor vehicle manufacture operations and limited investment activities from the supply chain having lost their local customers.

AusIndustry have been advised today that the Minister has agreed to permit the company to apply for continued registration in the national interest as an MVP in ATS in 2018, although the finite details (term or any special conditions) are not yet on hand. This being the case, we have approved the company's quarterly return. The expected payment in the quarter of around \$5 million is primarily based on the customer's investment in research and development with small values of assistance for plant and equipment and production assistance based on the sales of some of the remaining vehicles it produced prior to its manufacturing closure in October 2017.

In the supply chain only 66 customers remain in the scheme based on meeting normal ongoing eligibility conditions of the scheme, having obtained the Minister's permission to remain in the scheme in the national interest or remaining registered for the scheme pending a Ministerial decision on whether they can continue its registration in the national interest in 2018. As the Minister's decision cannot be pre-empted, the customer's quarter 1, 2018 quarterly return will be honoured.

Finally, in determining the quarter 1, 2018 modulation rate, we have identified that the IPMS has calculated the unused 2017 ATS year assistance of \$291,175,939.52. This number is added to the regulated assistance level in 2018 and is a factor used to determine modulation. AusIndustry conducts checks at the start of each year to ensure the system is operating correctly and manually determined the rollover to be \$291,135,439.42, a difference of \$40,500.10. Given the lack of demand for assistance in the program currently, the rollover value will not affect the ultimate calculation of modulation in the quarter. It does however need to be investigated and validated. Digital Strategy and Operations are investigating the issue. We do not propose to delay the payment of the quarter 1 2018 payment while this is being addressed, rather we will report in next quarter's report the outcome.

Accordingly, the prevailing modulation rates for MVP and Non MVP participants have been calculated as follows:

	Quarter 4 2017	Quarter 1 2018
MVP	1.0	1.0
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 1 2018	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	279,331,766.74	228,544,172.78	507,875,939.52
Current Demand	23,719,138.64	40,686,761.10	64,405,899.74
Net Payments in ATS Year to Date ²	0.00	-9,288.57	0.00
Amount Available for Rest of ATS Year	279,331,766.74	228,553,461.35	507,885,228.09
Quarter 1 2018 payments	5,101,383.08	10,097,569.47	15,198,952.55
Modulation Rates	1	1	

1. Includes \$291,175,939.52 of available funding unspent at the end of 2017 (split 55% to MVPs and 45% to Non MVPs).
2. Includes a scheme debt recovered in cash of \$9,288.57 in Non MVP calculation.



Stephen Stoddart
National Manager – Automotive Transformation Scheme

21 June 2018

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 1 2018 Modulation calculations

Modulation Rate - MVP 2018 Q1

Scheme Limit

ATS Stage 2 Annual Cap:	\$119,185,000.00
55% of unspent amounts from previous years:	\$160,146,766.74
Total amount available for current year at start of year:	\$279,331,766.74
Gross Capped Assistance Paid in current ATS Year:	\$0.00

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset:	\$0.00	Recovery in Cash:	\$0.00
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Supply and Demand

Net Capped Assistance Paid in current ATS Year:	\$0.00
Total amount available for the rest of this ATS Year:	\$279,331,766.74
Forecast Capped Assistance (Current Qtr and rest of current ATS Year):	\$23,718,136.64

Modulation

Number of Modulations:	1	Gross Capped Assistance:	\$5,101,384.08
Accepted Modulations:		Authorised CSM:	\$5,101,384.08
		Authorised Date:	21/06/2018 15:36:44

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	1
TOTAL			1/1

ATS Version 1.3.0 PRODUCTION 21/06/2018 3:36 PM

Modulation Rate - NON-MVP 2018 Q1

Scheme Limit

ATS Stage 2 Annual Cap:	\$97,515,000.00
45% of unspent amounts from previous years:	\$131,023,172.78
Total amount available for current year at start of year:	\$228,538,172.78
Gross Capped Assistance Paid in current ATS Year:	\$0.00

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset:	\$0.00	Recovery in Cash:	\$9,288.57
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Supply and Demand

Net Capped Assistance Paid in current ATS Year:	(\$9,288.57)
Total amount available for the rest of this ATS Year:	\$228,553,461.35
Forecast Capped Assistance (Current Qtr and rest of current ATS Year):	\$40,686,761.10

Modulation

Number of Modulations:	1	Gross Capped Assistance:	\$10,097,569.47
Accepted Modulations:		Authorised CSM:	\$10,097,569.47
		Authorised Date:	21/06/2018 15:38:05

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	66
TOTAL			66/66

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Australian Government
Department of Industry,
Innovation and Science

Business

Minute

Gary Richards - General Manager
Advanced Manufacturing - Advanced Technologies

cc: Ian Beckingham

Annie Ryan – General Manager
DIIS Grants Administration. AusIndustry Support for Business

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 1 2019

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise. Whilst the legislative fiscal caps remain in place, the foreseeable demand for assistance will not cause the modulation rates to fall below 1.0.

Issues

There are no motor vehicle producers (MVP's) registered for the scheme in 2019. Since quarter 3 2018, the modulation determination only relates to Non MVP (supply chain) customers.

The review of actual activities in the first quarter of the 2019 ATS year in the supply chain against business plan forecasts (November 2018) indicates an increase in demand for assistance. In the 2019 ATS year, the demand has increased by \$4 million, from \$40.4 million in 2018 to \$44.6 million 2019 for the supply chain. This remains well below the regulated funding available in the year (\$265 million). This increased demand is directly related to the inclusion of a former motor vehicle producer (MVP) into the scheme as an Automotive Service Provider (ASP).

s45

As at quarter 1 2019, 62 supply chain customers remain in the scheme based on satisfying normal ongoing eligibility requirements of the scheme; having received the Minister's permission to remain in the scheme under the national interest; or remaining registered for the scheme (2 applications) pending a Ministerial decision on applications for continued registration in the national interest. As the Minister's decisions cannot be pre-empted, the quarter 1 2019 returns will processed for these two customers.

Accordingly, the prevailing modulation rates for Non MVP participants have been calculated as follows:

	Quarter 4 2018	Quarter 1 2019
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 1 2019	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹ Regulations	73,315,000.00	59,985,000.00	133,300,000.00
2018 Underspend	251,131,537.76	205,471,258.16	456,602,795.92
Amount Available in ATS Year ¹	324,446,537.76	265,456,258.16	589,902,795.92
Current Demand	NIL	44,616,775.34	44,616,775.34
Net Payments in ATS Year to Date ²	N/A	0.00	0.00
Amount Available for Rest of ATS Year	N/A	44,616,775.34	44,616,775.34
Quarter 1 2019 payments	N/A	10,836,103.74	10,836,103.74
Modulation Rates	N/A	1	



Stephen Stoddart
National Manager – Automotive Transformation Scheme

20 June 2019

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 1 2019 Modulation calculations

Modulation Rate
×

Modulation Rate - NON-MVP 2019 Q1

Modulation Period

- + 2011
- + 2012
- + 2013
- + 2014
- + 2015
- + 2016
- + 2017
- + 2018
- 2019
 - 1

● MVP
● NON-MVP

Scheme Limit

ATS Stage 2 Annual Cap:	\$59,985,000.00
45% of unspent amounts from previous years:	\$205,471,258.16
Total amount available for current year at start of year:	\$265,456,258.16
Gross Capped Assistance Paid in current ATS Year:	\$0.00

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset:	\$0.00	Recovery in Cash:	\$0.00
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Supply and Demand

Net Capped Assistance Paid in current ATS Year:	\$0.00
Total amount available for the rest of this ATS Year:	\$265,456,258.16
Forecast Capped Assistance (Current Qtr and rest of current ATS Year):	\$44,616,775.34

Modulation

Calculate Modulation:

Accept Modulation:

Gross Capped Assistance: \$10,836,103.74

Authorised CSM: SSTODDART

Authorised Date: 20/06/2019 13:52:17

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	62
TOTAL			62/62

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20/06/2019
1:52 PM



Australian Government
Department of Industry,
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Business

Minute

Gary Richards - General Manager
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Jayne Facey - General Manager
Industry, Structural Adjustment & Science Programmes -
AusIndustry Business Services

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 2 2017

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

Issues

The review of actual activities in the second quarter of the 2017 ATS year against business plan forecasts (November 2016) indicates that overall demand for assistance of \$133 million in 2017 is well below the funding available in the year (\$411.4 million).

Overall demand for assistance by MVPs and Non MVPs has remained relatively consistent in the quarter. Total demand from the two categories is around \$32 million for the quarter as was the case in Q1 2017. The MVPs demand increased from \$15.3 million last quarter to \$16.3 million this quarter off improved domestic production of vehicles leading up the final builds before production ceases in October 2017. Demand from the non-MVPs fell slightly (\$500,000) to \$16.1 million. This demand largely reflects the payment of investments through the scheme's rolling average payment mechanism.

Since the last modulation calculation in early June 2017, AusIndustry has made an abnormal manual payment to **s45** relating to their Q4 2016 payment. This payment occurred following the Department's reconsideration and decision to reverse AusIndustry's original decision to not make this payment in February 2017 (deregistration decision). As a result, the payment was made from un-utilised 2016 funds which had rolled into the 2017 ATS year calculation. Applying scheme rules, meant that both the 2017 MVP (55%) and the Non MVP (45%) funding pools would reduce to take account of the payment. This change affected the previously decided 2016 carryover value in the Q1 2017 modulation determination however this has not affected the modulation rate decided in that quarter (remained at 1.0) nor the value of payments made to customers.

The following table shows the previous un-utilised 2016 funds and the new un-utilised 2016 funds following the s45 adjustment. All 2017 calculations will adopt the new carryover values.

2016 Unutilised (\$)	MVP (55%)	Non MVP (45%)	Total
Original Calculation ¹	61,525,361.49	50,338,932.12	111,864,293.91
s45			412,537.84
New Calculation ²	61,298,465.67	50,153,290.09	111,451,755.77

1. Q1 2017 Modulation Determination Calculation (separate attachment)
2. Revised Q1 Modulation Calculation (IMPS) (Attachment 2 in this report)

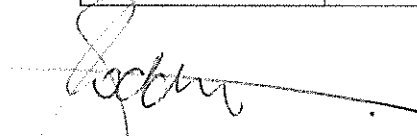
The following is a detailed summary of the modulation rates calculation:

Quarter 2 2017	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	226,298,465.67	185,153,290.09	411,451,755.76
Current Demand	44,030,912.95	57,075,909.07	101,106,822.02
Net Payments in ATS Year to Date	15,351,822.85	16,601,275.04	31,953,097.89
Amount Available for Rest of ATS Year	211,173,538.64	168,737,657.08	379,911,195.72
Quarter 2 2017 payments	16,352,924.10	16,126,251.27	32,479,175.37
Modulation Rates	1	1	

1. Includes \$111,451,755.77 of available funding unspent at the end of 2016 (split 55% to MVPs and 45% to non-MVPs)

Accordingly, the prevailing modulation rates for MVP and Non MVP participants have been calculated as follows:

	Quarter 1 2017	Quarter 2 2017
MVP	1.0	1.0
Non MVP	1.0	1.0


 Stephen Stoddart
 National Manager – Automotive Transformation Scheme
 20 September 2017

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 2 2017 Modulation calculations

Modulation Rate - MVP 2017 Q2

Scheme Limit

ATS Stage 2 Annual Cap: \$165,000,000.00
 55% of unspent amounts from previous years: \$61,298,465.67
 Total amount available for current year at start of year: \$226,298,465.67
 Gross Capped Assistance Paid in current ATS Year: \$15,351,822.85

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$15,351,822.85
 Total amount available for the rest of this ATS Year: \$211,173,538.64
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$44,020,912.95

Modulation

Calculate Modulation: 1 Gross Capped Assistance: \$16,352,924.10
 Accept Modulation Authorized CSM: \$STODDART
 Authorized Date: 20/09/2017 09:05:07

Summary			
Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	2
TOTAL			2/2

ATS Version 1.3.0 PRODUCTION 20/09/2017 9:05 AM

Modulation Rate - NON-MVP 2017 Q2

Scheme Limit

ATS Stage 2 Annual Cap: \$135,000,000.00
 45% of unspent amounts from previous years: \$50,153,290.09
 Total amount available for current year at start of year: \$185,153,290.09
 Gross Capped Assistance Paid in current ATS Year: \$16,804,005.38

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$324.04 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$16,601,275.04
 Total amount available for the rest of this ATS Year: \$168,737,657.08
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$57,075,909.07

Modulation

Calculate Modulation: 1 Gross Capped Assistance: \$16,126,251.27
 Accept Modulation Authorized CSM: \$STODDART
 Authorized Date: 20/09/2017 09:07:53

Summary			
Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	105
TOTAL			105/105

ATS Version 1.3.0 PRODUCTION 20/09/2017 9:07 AM

Attachment 2

New Q1 2017 IPMS Modulation Calculation (post s45 payment)

Modulation Rate - MVP 2017 Q1

Scheme Limit

ATS Stage 2 Annual Cap: \$165,000,000.00

55% of unspent amounts from previous years: \$161,298,465.67

Total amount available for current year at start of year: \$226,298,465.67

Gross Capped Assistance Paid in current ATS Year: \$0.00

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$0.00

Total amount available for the rest of this ATS Year: \$226,298,465.67

Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$58,016,212.22

Modulation

Calculate Modulation: 1 **Gross Capped Assistance:** \$15,351,822.65

Accept Modulation: **Authorised CSM:** DBOVEN

Authorised Date: 13/06/2017 16:34:50

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED		2
TOTAL			2/2

ATS Version 1.3.0 PRODUCTION 19/09/2017 5:53 PM

Modulation Rate - NON-MVP 2017 Q1

Scheme Limit

ATS Stage 2 Annual Cap: \$135,000,000.00

45% of unspent amounts from previous years: \$50,153,290.10

Total amount available for current year at start of year: \$185,153,290.10

Gross Capped Assistance Paid in current ATS Year: \$0.00

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$0.00

Total amount available for the rest of this ATS Year: \$185,153,290.10

Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$74,372,993.26

Modulation

Calculate Modulation: 1 **Gross Capped Assistance:** \$16,604,005.38

Accept Modulation: **Authorised CSM:** DBOVEN

Authorised Date: 13/06/2017 16:37:20

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED		105
TOTAL			105/105

ATS Version 1.3.0 PRODUCTION 19/09/2017 5:55 PM



Australian Government
Department of Industry,
Innovation and Science

Business

Minute

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DIIs Grants Administration
AusIndustry Support for Business

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 2 2018

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

Whilst the legislative fiscal caps remain in place, the foreseeable demand for assistance will not cause the modulation rates to fall below 1.0.

Issues

The review of actual activities in the second quarter of the 2018 ATS year against business plan forecasts (November 2017) indicates overall demand for assistance in 2018 of \$62 million which is well below the regulated funding available in the year (\$507.8 million). Overall demand for assistance by MVPs and Non MVPs remains low following the closure of motor vehicle manufacture operations and limited investment activities from the supply chain having lost their local customers.

In the first six months of the 2018 ATS year, only one MVP (GM Holden) was registered for the scheme. GM Holden sought permission to apply for ATS in the national interest and this was approved by the Minister on 21 June 2018 however the registration was only permitted for 6 months. The current quarterly return process will be the last for the company in ATS. s45

s45

In the supply chain, only 64 customers remain in the scheme based on meeting normal ongoing eligibility conditions of the scheme, having obtained the Minister's permission to remain in the scheme in the national interest or remaining registered (17 applications) for the scheme pending a Ministerial decision on whether they can continue their registration in the national interest in 2018. As the Minister's decision cannot be pre-empted, the customer's quarter 2, 2018 quarterly return will be honoured.

As previously reported, the IPMS has calculated the unused 2017 ATS year assistance incorrectly overstated this value by \$40,500.10. Given the lack of demand for assistance in the program currently, the rollover value will not affect the ultimate calculation of modulation in the quarter. Digital Strategy and Operations have conducted a thorough investigation of the cause of this system error. The error has been identified however final resolution testing is still being conducted and a fix is expected before the Q3 2018 modulation process. Full details of the issue and solution will be provided at that time.

Accordingly, the prevailing modulation rates for MVP and Non MVP participants have been calculated as follows:

	Quarter 1 2018	Quarter 2 2018
MVP	1.0	1.0
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 2 2018	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	279,331,766.74	228,544,172.78	507,875,939.52
Current Demand	16,486,519.53	30,525,104.58	47,011,624.11
Net Payments in ATS Year to Date ²	5,101,384.08 ³	10,086,733.44	15,188,117.52
Amount Available for Rest of ATS Year	274,230,382.66	218,457,439.34	492,687,822.00
Quarter 1 2018 payments	4,891,970.79	10,157,935.41	15,049,906.20
Modulation Rates	1	1	

1. Includes \$291,175,939.52 of available funding unspent at the end of 2017 (split 55% to MVPs and 45% to Non MVPs).
2. Includes a scheme debt recovered in cash of \$10,836.03 in Non MVP calculation.
3. In the previous report this table indicated the Q1 2018 payment for MVPs was \$5,101,383.08, it should have stated \$5,101,384.08 (\$1 error).



Stephen Stoddart
National Manager – Automotive Transformation Scheme

21 September 2018

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 2 2018 Modulation calculations

Modulation Rate - MVP 2018 Q2

Scheme Limit

ATS Stage 2 Annual Cap: \$119,185,000.00
 55% of unspent amounts from previous years: \$160,146,766.74
 Total amount available for current year at start of year: \$279,331,766.74
 Gross Capped Assistance Paid in current ATS Year: \$5,101,384.08

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$5,101,384.08
 Total amount available for the rest of this ATS Year: \$274,230,382.66
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$16,486,519.53

Modulation

Calculate Modulation: 1 Gross Capped Assistance: \$4,891,970.79
 Accept Modulation Authorised CSM: \$STODDART
 Authorised Date: 21/09/2018 09:54:53

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	1
TOTAL			1/1

ATS Version 1.3.0 PRODUCTION 21/09/2018 9:54 AM

Modulation Rate - NON-MVP 2018 Q2

Scheme Limit

ATS Stage 2 Annual Cap: \$97,515,000.00
 45% of unspent amounts from previous years: \$131,029,172.78
 Total amount available for current year at start of year: \$228,544,172.78
 Gross Capped Assistance Paid in current ATS Year: \$10,097,569.47

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$10,836.03

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$10,086,733.44
 Total amount available for the rest of this ATS Year: \$218,457,439.34
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$30,525,104.58

Modulation

Calculate Modulation: 1 Gross Capped Assistance: \$10,157,935.41
 Accept Modulation Authorised CSM: \$STODDART
 Authorised Date: 21/09/2018 09:56:58

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	64
TOTAL			64/64

ATS Version 1.3.0 PRODUCTION 21/09/2018 9:57 AM



Australian Government
Department of Industry,
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Business

Minute

Gary Richards - General Manager
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Jayne Facey - General Manager
Industry, Structural Adjustment & Science Programmes -
AusIndustry Business Services

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 3 2017

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

Issues

The review of actual activities in the third quarter of the 2017 ATS year against business plan forecasts (November 2016) indicates that overall demand for assistance of \$129 million in 2017 (down \$4 million since last quarter) is well below the funding available in the year (\$411.4 million). Overall demand for assistance by MVPs and Non MVPs has remained relatively consistent in the quarter.

Total demand from the two categories is around \$32 million for the quarter as was the case in Q1 and 2 of 2017. The MVPs demand increased slightly from \$16.3 million last quarter to \$16.8 million this quarter off what is fundamentally the last production runs of local vehicle production leading up to manufacturing closures in October 2017. In future quarters there will be a smaller volume of vehicle production as final sales of vehicles occur (sales is defined as production in ATS).

Demand from the non-MVPs fell slightly (\$400,000) from \$16.1 million to \$15.7 million. This demand largely reflects the scheme's rolling average payment mechanism running down historical investments and little new investments.

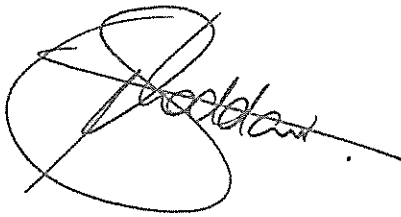
Accordingly, the prevailing modulation rates for MVP and Non MVP participants have been calculated as follows:

	Quarter 2 2017	Quarter 3 2017
MVP	1.0	1.0
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 3 2017	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	226,298,465.67	185,153,290.09	411,451,755.76
Current Demand	30,017,490.46	34,501,554.87	64,519,045.33
Net Payments in ATS Year to Date	31,704,746.95	32,724,474.34	64,429,221.29
Amount Available for Rest of ATS Year	194,820,614.54	152,614,457.78	347,435,072.32
Quarter 3 2017 payments	16,866,055.80	15,717,767.92	32,583,823.72
Modulation Rates	1	1	

1. Includes \$111,451,755.77 of available funding unspent at the end of 2016 (split 55% to MVPs and 45% to non-MVPs)



Stephen Stoddart
National Manager – Automotive Transformation Scheme
11 December 2017

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 3 2017 Modulation calculations

Modulation Rate - MVP 2017 Q3

Scheme Limit

ATS Stage 2 Annual Cap: \$165,000,000.00
 55% of unspent amounts from previous years: \$61,298,465.67
 Total amount available for current year at start of year: \$226,298,465.67
 Gross Capped Assistance Paid in current ATS Year: \$31,704,746.95

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$31,704,746.95
 Total amount available for the rest of this ATS Year: \$194,620,614.54
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$30,017,490.46

Modulation

Calculate Modulation: 1 **Gross Capped Assistance:** \$16,866,055.80
 Accept Modulation **Authorised CSM:** SSTODDART
 Authorised Date: 11/12/2017 14:55:18

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	2
TOTAL			2/2

ATS Version 1.3.0 PRODUCTION 11/12/2017 2:55 PM

Modulation Rate - NON-MVP 2017 Q3

Scheme Limit

ATS Stage 2 Annual Cap: \$135,000,000.00
 45% of unspent amounts from previous years: \$50,153,290.09
 Total amount available for current year at start of year: \$185,153,290.09
 Gross Capped Assistance Paid in current ATS Year: \$32,730,256.65

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$2,226.51 Recovery in Cash: \$12.20

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$32,724,474.34
 Total amount available for the rest of this ATS Year: \$152,614,457.76
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$34,501,554.87

Modulation

Calculate Modulation: 1 **Gross Capped Assistance:** \$15,717,767.92
 Accept Modulation **Authorised CSM:** SSTODDART
 Authorised Date: 11/12/2017 14:56:09

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	103
TOTAL			103/103

ATS Version 1.3.0 PRODUCTION 11/12/2017 2:56 PM



Australian Government
Department of Industry,
Innovation and Science

Business

Minute

Gary Richards - General Manager
Advanced Manufacturing - Advanced Technologies

cc: Darren Atkinson

Annie Ryan - General Manager
DIIS Grants Administration
AusIndustry Support for Business

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 3 2018

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

Whilst the legislative fiscal caps remain in place, the foreseeable demand for assistance will not cause the modulation rates to fall below 1.0.

Issues

Up to and including quarter 2 2018 ATS payments, the modulation calculation included one MVP being GM Holden who remained in the scheme based on the Minister's permission in the National Interest. s45

s45

The review of actual activities in the third quarter of the 2018 ATS year against business plan forecasts (November 2017) indicates unchanged demand for assistance in 2018 of \$40 million for the supply chain which is well below the regulated funding available in the year (\$228 million).

There are 64 supply chain customers that remain in the scheme based on meeting normal ongoing eligibility conditions of the scheme, having obtained the Minister's permission to remain in the scheme in the national interest or remaining registered for the scheme (11 applications) pending a Ministerial decision on whether they can continue its registration in the national interest in 2018. As the Minister's decision cannot be pre-empted, the customer's quarter 3, 2018 quarterly return will be honoured.

As previously reported, the IPMS has calculated the unused 2017 ATS year assistance incorrectly overstating this value by \$40,500.10. Given the lack of demand for assistance in the program currently, the rollover value will not affect the ultimate calculation of modulation in the quarter. Digital Strategy and Operations have conducted a thorough investigation of the cause of this system error and found there to be 2 types of system errors relating to scheme debt recoveries by way of offset from customer's quarterly payments. Four of the five errors occurred because individual quarterly offsets occurred in both ATS Stage 1 and 2 (duplicated the scheme debts transactions in the system but not to the customer) and the other case because the scheme debt was repaid later than the system expected (causing a glitch) due to an extension of time to repay the debt being allowed. The system fixes and validation checks were approved by the Program Manager on 4 December 2018.

Accordingly, the prevailing modulation rates for MVP and Non MVP participants have been calculated as follows:

	Quarter 2 2018	Quarter 3 2018
MVP	1.0	N/A
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 3 2018	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	279,067,752.11	228,328,160.81	507,395,912.92
Current Demand	Nil	20,479,254.23	32,073,802.97
Net Payments in ATS Year to Date ²	9,933,354.87	20,255,504.88	30,188,859.75
Amount Available for Rest of ATS Year	269,074,397.24	208,092,133.81	477,166,531.05
Quarter 3 2018 payments	Nil	10,244,737.92	10,244,737.92
Modulation Rates	N/A	1	

1. Includes \$290,695,912.92 of available funding unspent at the end of 2017 (split 55% to MVPs and 45% to Non MVPs).
2. Includes a scheme debt recovered in cash of \$19,477.88 in Non MVP calculation.



Stephen Stoddart
National Manager – Automotive Transformation Scheme

17 December 2018

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 3 2018 Modulation calculations

Modulation Rate
✕

Modulation Rate - NON-MVP 2018 Q3

Modulation Period

- + 2011
- + 2012
- + 2013
- + 2014
- + 2015
- + 2016
- + 2017
- 2018
 - + 1
 - + 2
 - 3

MVP
 NON-MVP

Scheme Limit

ATS Stage 2 Annual Cap:	\$97,515,000.00
45% of unspent amounts from previous years:	\$130,813,160.81
Total amount available for current year at start of year:	\$228,328,160.81
Gross Capped Assistance Paid in current ATS Year:	\$20,255,504.88

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset:	\$0.00	Recovery in Cash:	\$19,477.88
---------------------	--------	-------------------	-------------

Supply and Demand

Net Capped Assistance Paid in current ATS Year:	\$20,236,027.00
Total amount available for the rest of this ATS Year:	\$208,092,133.81
Forecast Capped Assistance (Current Qtr and rest of current ATS Year):	\$20,479,254.23

Modulation

<input type="button" value="Calculate Modulation"/> <input style="width: 50px; text-align: center;" type="text" value="1"/>	Gross Capped Assistance: \$10,244,737.92
<input type="button" value="Accept Modulation"/>	Authorised CSM: SSTODDART
	Authorised Date: 17/12/2018 11:22:09

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	64
TOTAL			64/64

ATS Version 1.3.0
PRODUCTION 17/12/2018 11:22 AM



Australian Government
Department of Industry,
Innovation and Science

Business

Minute

Gary Richards - General Manager
Advanced Manufacturing - Advanced Technologies

cc: Darren Atkinson

Jayne Facey - General Manager
Industry, Structural Adjustment & Science Programmes -
AusIndustry Business Services

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 4 2017

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

Issues

The review of actual activities in the fourth quarter of the 2017 ATS year against business plan forecasts (November 2016) indicates that overall demand for assistance of \$121 million in 2017 (down \$8 million since last quarter) is well below the funding available in the year (\$411.4 million). As expected overall demand for assistance by MVPs and Non MVPs has dropped in this quarter following the closure of motor vehicle manufacture early in the quarter.

Total demand from the two categories is around \$24 million for the quarter well down on the average of \$32 million in the first three quarters of 2017. Whilst demand by the non-MVPS remained fairly stable at just under \$15 million (down about \$1 million), demand by the MVPs dropped significantly to \$9.5 million from \$16.8 million as the last production runs of local vehicle production were completed prior to the closures in October 2017. These payments are expected to be the last payments made to the MVPs (in that capacity) under the scheme.

Demand from the non-MVPs largely reflects the scheme's rolling average payment mechanism running down historical investments and limited new investments.

Accordingly, the prevailing modulation rates for MVP and Non MVP participants have been calculated as follows:

	Quarter 3 2017	Quarter 4 2017
MVP	1.0	1.0
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 4 2017	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	226,298,465.67	185,153,290.09	411,451,755.76
Current Demand	9,510,000.07	14,708,833.98	24,218,834.05
Net Payments in ATS Year to Date	48,570,802.75	47,939,217.39	96,510,020.14
Amount Available for Rest of ATS Year	177,954,558.74	137,399,714.73	315,354,273.47
Quarter 4 2017 payments	9,510,000.06	14,708,833.66	24,218,833.72
Modulation Rates	1	1	

1. Includes \$111,451,755.77 of available funding unspent at the end of 2016 (split 55% to MVPs and 45% to non-MVPs)



Debbie Bowen
Acting National Manager – Automotive Transformation Scheme

8 March 2017

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 4 2017 Modulation calculations

Modulation Rate - MVP 2017 Q4

Modulation Period

- + 2011
- + 2012
- + 2013
- + 2014
- + 2015
- + 2016
- 2017
 - + 1
 - + 2
 - + 3
 - 4

● MVP
● NON-MVP

Scheme Limit

ATS Stage 2 Annual Cap: \$165,000,000.00
 55% of unspent amounts from previous years: \$51,298,465.67
 Total amount available for current year at start of year: \$226,298,465.67
 Gross Capped Assistance Paid in current ATS Year: \$48,570,802.75

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$0.00 Recovery in Cash: \$0.00

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$48,570,802.75
 Total amount available for the rest of this ATS Year: \$177,954,558.74
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$65,510,000.00

Modulation

Gross Capped Assistance: \$3,510,000.00
 Authorised CSM: C.BOWEN
 Authorised Date: 09/03/2018 09:21:12

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	2
TOTAL			2/2

ATS Version 1.3.0 PRODUCTION 09/03/2018 9:21 AM

Modulation Rate - NON-MVP 2017 Q4

Modulation Period

- + 2011
- + 2012
- + 2013
- + 2014
- + 2015
- + 2016
- 2017
 - + 1
 - + 2
 - + 3
 - 4

● MVP
● NON-MVP

Scheme Limit

ATS Stage 2 Annual Cap: \$135,000,000.00
 45% of unspent amounts from previous years: \$50,153,290.09
 Total amount available for current year at start of year: \$185,153,290.09
 Gross Capped Assistance Paid in current ATS Year: \$48,448,024.57

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: \$2,226.51 Recovery in Cash: \$997.90

Supply and Demand

Net Capped Assistance Paid in current ATS Year: \$47,939,217.39
 Total amount available for the rest of this ATS Year: \$137,939,714.73
 Forecast Capped Assistance (Current Qtr and rest of current ATS Year): \$14,708,833.98

Modulation

Gross Capped Assistance: \$14,708,833.66
 Authorised CSM: C.BOWEN
 Authorised Date: 09/03/2018 09:22:01

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	95
TOTAL			95/95

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Minute

Gary Richards - General Manager
Advanced Manufacturing - Advanced Technologies

cc: Darren Atkinson

Stephen Stoddart – Acting General Manager
DIIS Grants Administration
AusIndustry Support for Business

For Information

Automotive Transformation Scheme - Modulation Rates: Quarter 4 2018

Background

AusIndustry reviews quarterly, the investment, sales and production activities of Automotive Transformation Scheme (ATS) participants to determine the ATS capped 'special appropriation' modulation rates and evaluate any industry issues that arise.

Whilst the legislative fiscal caps remain in place, the foreseeable demand for assistance will not cause the modulation rates to fall below 1.0.

Issues

Up to and including quarter 2 2018, the modulation calculation for ATS payments included one MVP being GM Holden Ltd who remained in the scheme based on the Minister's permission in the National Interest. **s45**

s45

The review of actual activities in the fourth quarter of the 2018 ATS year against business plan forecasts (November 2017) indicates unchanged demand for assistance in 2018 of \$40.8 million for the supply chain which is well below the regulated funding available in the year (\$228 million).

As at quarter 4 2018, 62 supply chain customers remain in the scheme based on satisfying normal ongoing eligibility requirements of the scheme; having received the Minister's permission to remain in the scheme under the national interest; or remaining registered for the scheme (2 applications) pending a Ministerial decision on an application for continued registration in the national interest. As the Minister's decision cannot be pre-empted, the quarter 4 2018 returns will be processed for these two customers.

Accordingly, the prevailing modulation rates for Non MVP participants have been calculated as follows:

	Quarter 3 2018	Quarter 4 2018
Non MVP	1.0	1.0

The following is a detailed summary of the modulation rates calculation:

Quarter 4 2018	MVPs (\$)	Non-MVPs (\$)	Total YTD (\$)
Amount Available in ATS Year ¹	279,067,752.11	228,328,160.81	507,395,912.92
Current Demand	Nil	10,318,997.42	10,318,997.42
Net Payments in ATS Year to Date ²	9,933,354.87	30,480,764.92	40,414,119.79
Amount Available for Rest of ATS Year	269,074,397.24	197,847,395.89	466,921,793.13
Quarter 4 2018 payments	Nil	10,318,997.20	10,318,997.20
Modulation Rates	N/A	1	

1. Includes \$290,695,912.92 of available funding unspent at the end of 2017 (split 55% to MVPs and 45% to Non MVPs).
2. Includes a scheme debt recovered in cash of \$19,477.88 in Non MVP calculation.


 Debbie Bowen
 Acting National Manager - Automotive Transformation Scheme

19 March 2019

IPMS Production Modulation Calculation Attachment 1

ATS – Quarter 4 2018 Modulation calculations

Modulation Rate
×

Modulation Rate - NON-MVP 2018 Q4

Modulation Period

- + 2011
- + 2012
- + 2013
- + 2014
- + 2015
- + 2016
- + 2017
- 2018
 - + 1
 - + 2
 - 3
 - MVP
 - NON-MVP
- 4
 - MVP
 - NON-MVP

Scheme Limit

ATS Stage 2 Annual Cap:

45% of unspent amounts from previous years:

Total amount available for current year at start of year:

Gross Capped Assistance Paid in current ATS Year:

Capped Scheme Debt Recovery (Excluding Interest)

Recovery by Offset: Recovery in Cash:

Supply and Demand

Net Capped Assistance Paid in current ATS Year:

Total amount available for the rest of this ATS Year:

Forecast Capped Assistance (Current Qtr and rest of current ATS Year):

Modulation

Calculate Modulation: **Gross Capped Assistance:**

Accept Modulation: **Authorised CSM:**

Authorised Date:

Summary

Business Plan Type	Event Status	Event Status Reason	Total
QUARTERLY RETURN	APPROVED	WAITING FOR BENEFIT	62
TOTAL			62/62

ATS Version 1.3.0
PRODUCTION 19/03/2019 11:38 AM

ATS Assistance Paid as at 31 January 2018**ATS Stage 1 – Capped (Closed)**

ATS Year Capped Payments (rounded to nearest '000)	Total
Original Profile*	1,500,000,000
Capped assistance paid*	1,342,343,000
Balance remaining to original profile	157,657,000

ATS Stage 2 – Capped (Actual in ATS Years - calendar years)

ATS Year Capped Payments (rounded to nearest ,000)	2016	2017 - 2020	Total
Original Profile*	300,000,000	700,000,000	1,000,000,000
Capped assistance paid* (Actual to Q3 2017)	186,776,000	96,513,000	283,289,000

ATS Stage Combined – Capped (Actual in ATS Years - calendar years)

ATS Year Capped Payments (rounded to nearest ,000)	Stage 1	Stage 2	Total
Original Profile*	1,500,000,000	1,000,000,000	2,500,000,000
Capped assistance paid to date* (Actual to Q3 2017)	1,342,343,000	283,289,000	1,625,632,000

* Original profile identifies maximum payment against the ATS Programme

* **Demand driven programme.**

ATS – Uncapped -

ATS Year Uncapped Payments (rounded to nearest ,000)	Total
Original Profile*	847,000,000
Current published profile (website)	337,000,000
Uncapped assistance paid to date (Actual to Q3 2017)	309,697,000

* Original profile identifies maximum payment against the ATS Programme

* **Demand driven programme.**

ATS Assistance Paid at 30 September 2017**ATS Stage 1 – Capped (Closed)**

ATS Year Capped Payments (000's)	Total
Original Profile*	1,500,000
Capped assistance paid*	1,342,343
Balance remaining to original profile	157,657

ATS Stage 2 – Capped (Actual in ATS Years - calendar years)

ATS Year Capped Payments (000's)	2016	2017 - 2020	Total
Original Profile*	300,000	700,000	1,000,000
Capped assistance paid* (Actual to Q2 2017)	186,776	64,431	251,207

ATS Stage Combined – Capped (Actual in ATS Years - calendar years)

ATS Year Capped Payments (000's)	Stage 1	Stage 2	Total
Original Profile*	1,500,000	1,000,000	2,500,000
Capped assistance paid to date* (Actual to Q2 2017)	1,342,343	251,207	1,593,550

* Original profile identifies maximum payment against the ATS Programme

* **Demand driven programme.**

ATS Stage 1 – Uncapped

ATS Year Capped Payments (000's)	Total
Original Profile*	847,000
Current published profile (website)	337,000
Capped assistance paid to date	308,307

* Original profile identifies maximum payment against the ATS Programme

* **Demand driven programme.**

AUTOMOTIVE TRANSFORMATION SCHEME

ATSA Assistance Paid as at 30 April 2018

ATS Stage 1 – Capped (Closed)

ATS Year Capped Payments (rounded to nearest '000)	Total
Original Profile	1,500,000,000
Capped assistance paid	1,342,343,000
Balance remaining to original profile	157,657,000

ATS Stage 2 – Capped (Actual in ATS Years - calendar years)

ATS Year Capped Payments (rounded to nearest ,000)	2016	2017 - 2020	Total
Original Profile	300,000,000	700,000,000	1,000,000,000
Capped assistance paid (Actual to Q4 2017)	186,776,000	120,695,000	307,471,000

ATS Stages Combined – Capped (Actual in ATS Years - calendar years)

ATS Year Capped Payments (rounded to nearest ,000)	Stage 1	Stage 2	Total
Original Profile ¹	1,500,000,000	1,000,000,000	2,500,000,000
Capped assistance paid to date ² (Actual to Q4 2017)	1,342,343,000	307,471,000	1,649,814,000

1. Original profile identifies maximum payment against the ATS Programme
2. Demand driven programme.

ATS – Uncapped -

ATS Year Uncapped Payments (rounded to nearest ,000)	Total
Original Profile ¹	847,000,000
Current published profile (website) ²	337,000,000
Uncapped assistance paid to date (Actual to Q4 2017)	310,101,000

1. Original profile identifies maximum payment against the ATS Programme
2. Demand driven programme.

General Manager: Jayne Facey	Drafting Officer: Stephen Stoddart
Phone: 03 9268 7505 0419 304 022	Date: 25 May 2018

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AUTOMOTIVE TRANSFORMATION SCHEME

ISSUE

The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and will run until 31 December 2020. The scheme supports investment, innovation and economic sustainability in the Australian automotive industry as it transitions from local vehicle manufacturing to automotive aftermarket or new industries.

KEY POINTS

- Following the closure of vehicle manufacturing in Australian (Ford, Holden and Toyota) the number of eligible participants in the scheme has declined.
- Over the past 12 – 18 months, there have been between 97 and 107 registered participants in the scheme. There are currently 65 registered participants receiving financial support from the scheme.

FACTS AND FIGURES

ATS Stages Combined – Annual Appropriation (Actual in ATS Years - calendar years)

ATS Year Payments	Stage 1 2001 - 2010	Stage 2 2011 - 2020	Total
Original Profile ¹	1,500,000,000	1,000,000,000	2,500,000,000
Assistance paid to date ²	1,342,343,000	337,701,000	1,680,044,000

1. Original profile identifies maximum payment against the ATS Programme
2. Demand driven programme.

ATS – Special Appropriation (Program element operated between 2001 – 2017)

ATS Year Payments (rounded to nearest ,000)	Total
Original Profile ¹	847,000,000
Current published profile (website) ²	337,000,000
Assistance paid to date	310,101,000

1. Original profile identifies maximum payment against the ATS Programme
2. Demand driven programme.

Current Registrations

Estimate Hearings	May 2018	October 2018
Current registrations ¹ (includes national interest applications pending)	88	65
Applications in the National Interest submitted (registrations continue pending decision)	38	17

1. 65 registrations – 1 motor vehicle producer (MVP), 47 automotive component producers (ACP), 7 automotive machine tool producer (AMTP) and 10 automotive service provider (ASP).

General Manager: Annie Ryan	Drafting Officer: Stephen Stoddart
Phone: 02 6102 8608 0407 296 564	Date: 27 September 2018

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AUTOMOTIVE TRANSFORMATION SCHEME (DIIS)

PROGRAM DESCRIPTION

The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and will run until 31 December 2020. The scheme supports investment, innovation and economic sustainability in the Australian automotive industry as it transitions from local vehicle manufacturing to automotive aftermarket or new industries.

FUNDING

	2017-18(\$m)	2018-19 (\$m)	2019-20 (\$m)
Appropriation (PBS 2018-19)	77.271	44.542	39.503
Commitments		27.197	
YTD Expenditure		27.197	

(PBS 2018-19 – Table 2.1.2 at page 33)

TYPE OF PROGRAM

Entitlement

TARGET RECIPIENTS

Australian automotive industry

PROGRAM STATUS

Open. 62 Participants currently registered.

s22

In the department's 2017/18 Annual report (page 70), the Automotive Transformation Scheme key performance indicator reported lower induced investment by ATS participants in the Australian automotive industry by around \$320 million. The lower level of induced investment is directly related to the closure of the local vehicle manufacturing industry in late 2017.

OTHER INFORMATION

Nil

CASE STUDY

Nil – Customer information is not disclosed in this program.

General Manager: Annie Ryan	Drafting Officer: Debbie Bowen
Phone: 02 6102 8608 0407 296 564	Date: 1 April 2019

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The ATS Regulations provides that the Minister may publish information in relation to ATS customers, however has never acted upon this power. As ATS assistance is cash payments (not grants) there is no authority to report publicly on customer information.

FACTS

- Following the closure of vehicle manufacturing in Australian (Ford, Holden and Toyota) the number of eligible participants in the scheme has declined because they no longer meet the eligibility criteria for registration in the ATS or the level of investment activities conducted no longer provides a satisfactory level of assistance to warrant remaining in the scheme.
- Over the past 12 – 18 months, there have been between 97 and 107 registered participants in the scheme. There are currently 62 registered participants receiving financial support from the scheme.
- The ATS has been delivered over two five year stages.
- The first stage commenced on 1 January 2011, had a capped funding profile of \$1.5 billion. Assistance of \$1.342 billion was paid between 1 January 2011 and when Stage 1 closed on 31 December 2010. As a demand driven program, funding was not guaranteed at \$1.5 billion, so there was no unallocated annual appropriation funding available at the end of Stage 1.
- ATS Stage 2 commenced on 1 January 2011 and will run until 31 December 2020. It has a capped funding profile of \$1 billion, with \$338 million paid to date.
- In addition, the ATS had an uncapped (special appropriation) assistance element which ran from 1 January 2011 to 31 December 2017. This program provided \$310 million of assistance.
- Where a person wishes to access the ATS but does not meet the eligibility criteria of the scheme, the Minister may give permission for a person to apply in the national interest for registration, or continued registration, under the ATS.

ADDITIONAL INFORMATION**FACTS AND FIGURES****ATS payments from Capped Annual Appropriation (Actual in calendar years)**

ATS Payments	Stage 1 ³ 2001 - 2010	Stage 2 ⁴ 2011 - 2020	Total
Original Profile ¹	1,500,000,000	1,000,000,000	2,500,000,000
Assistance paid to 31/03/2019	1,342,343,000	358,256,000	1,700,599,000

1. Original profile identifies maximum payment against the ATS Programme. Refer Program Factsheet.
2. **Demand driven programme.** Refer Program Factsheet.
3. Stage 1 - 1 January 2011 to 31 December 2015
4. Stage 2 - 1 January 2016 to 31 December 2020

ATS – Uncapped Special Appropriation (Program element operated between 2001 – 2017)

ATS Year Payments (rounded to nearest ,000)	Total
Original Profile ¹	847,000,000
Current published profile (website) ²	337,000,000
Assistance paid to date (30/3/18)	310,101,000

1. Original profile identifies maximum payment against the ATS Programme
2. **Demand driven programme.**

Current Registrations

Estimate Hearings	October 2018	April 2019
Current registrations ¹ (includes national interest applications pending)	65	62
Applications in the National Interest submitted (Applicants seeking continued registration will remain registered in the scheme while their applications are pending a decision)	17	2

62 registrations –, 45 automotive component producers (ACP), 7 automotive machine tool producer (AMTP) and 10 automotive service pro

s22



s22



AUTOMOTIVE TRANSFORMATION SCHEME

FUNDING

	2017-18(\$m)	2018-19 (\$m)	2019-20 (\$m)
Appropriation (PBS 2018-19)	77.271	44.542	39.503
Commitments		9.423	
YTD Expenditure		9.423	

(PBS 2018-19 – Table 2.1.2 at page 33)

TYPE OF PROGRAM

Entitlement

BRIEF DESCRIPTION

The Automotive Transformation Scheme (ATS) commenced on 1 January 2011 and will run until 31 December 2020. The scheme supports investment, innovation and economic sustainability in the Australian automotive industry as it transitions from local vehicle manufacturing to automotive aftermarket or new industries.

TARGET RECIPIENT/S

Australian automotive industry

PROGRAM STATUS

Open. 65 Participants currently registered.

s22

OTHER INFORMATION

Nil

CASE STUDY

Nil – Customer information is not disclosed in this program.

POSSIBLE Q&As

- Following the closure of vehicle manufacturing in Australian (Ford, Holden and Toyota) the number of eligible participants in the scheme has declined because they no longer meet the eligibility criteria for registration in the ATS or the level of investment activities conducted no longer provides a satisfactory level of assistance to warrant remaining in the scheme.

General Manager: Annie Ryan	Drafting Officer: Stephen Stoddart
Phone: 02 6102 8608 0407 296 564	Date: 11 October 2018

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- Over the past 12 – 18 months, there have been between 97 and 107 registered participants in the scheme. There are currently 65 registered participants receiving financial support from the scheme.
- The ATS has been delivered over two five year stages.
- The first stage commenced on 1 January 2011, had a capped funding profile of \$1.5 billion. Assistance of \$1.342 billion was paid between 1 January 2011 and when Stage 1 closed on 31 December 2010. As a demand driven program, funding was not guaranteed at \$1.5 billion, so there was no unallocated annual appropriation funding available at the end of Stage 1.
- ATS Stage 2 commenced on 1 January 2011 and will run until 31 December 2020. It has a capped funding profile of \$1 billion, with \$338 million paid to date.
- In addition, the ATS had an uncapped (special appropriation) assistance element which ran from 1 January 2011 to 31 December 2017. This program provided \$337 million of assistance.
- Where a person wishes to access the ATS but does not meet the eligibility criteria of the scheme, the Minister may give permission for a person to apply in the national interest for registration, or continued registration, under the ATS.

ATS REGISTRATION INFORMATION (28 FEBRUARY 2018)**CURRENT REGISTRATIONS**

	October 2017¹	March 2018¹	Comment
Current registrations²	107	98	
New Registration Applications Pending³	Nil	10	(11 received 1 withdrawn)

NOTE

- ESTIMATE HEARINGS
- 98 REGISTRATIONS – 2 MOTOR VEHICLE PRODUCERS (MVP), 81 AUTOMOTIVE COMPONENT PRODUCERS (ACP), 7 AUTOMOTIVE MACHINE TOOL PRODUCERS (AMTP) AND 8 AUTOMOTIVE SERVICE PRODUCERS (ASP).
- INCLUDES NEW REGISTRATION APPLICATIONS BY COMPANIES AT THE END OF THEIR APPROVED NATIONAL INTEREST PERIOD.

NATIONAL INTEREST APPLICATIONS

	October 2017¹	March 2018¹	Comment
Applications Approved - Active (currently receiving assistance)	7	11	(includes new approvals for 2018)
Applications Pending (being assessed)	5	17	New- 7 Continued - 10

**PROGRAMME SUMMARY – NATIONAL INTEREST APPLICATIONS
1 JANUARY 2011 TO 28 FEBRUARY 2018**

New Registration considered and approved	5	5	No Change
Continued registrations approved	17	21	4 approved (December 2017)
Subtotal (Approved)	22	26	
Applications Pending	5	17	
Applications Rejected	4	6	s22
Total	31	49	

NOTE:

NEW PERMISSION – NEW APPLICATION TO ENTER THE SCHEME (INCLUDES PREVIOUSLY REGISTERED CUSTOMERS)

CONTINUE REGISTRATION – EXISTING CUSTOMER (REGISTERED) SEEKING TO REMAIN IN THE SCHEME

ADDITIONAL NATIONAL INTEREST QUESTIONS

NUMBER OF COMPANIES WHO HAVE HAD MORE THAN ONE NATIONAL INTEREST APPLICATION APPROVED

March 2018 Estimates 4 **No Change**

(Published on ATS Website) If asked:

**(Ford, Harrop Engineering, Carbon Revolution,
Australian Precision Technologies)**

NUMBER OF COMPANIES WHO HAVE BEEN IN ATS UNDER NATIONAL INTERST FOR 3 YEARS OR MORE

March 2018 Estimates 3 **No Change**

(Published on ATS Website) If asked:

(Ford, Harrop Engineering, Carbon Revolution)

ATS – EXPECTED QUESTIONS

2018 REGISTRATIONS

Expectations remain unchanged at this stage

20 to 25 companies are expected to remain eligible for the 2018 ATS year

s22

60-70 participants have forecast activities that may form the basis of an ATS claim into 2018 based on the November 2017 Business Plan Updates from customers

s22

The TIMING of when the final 2018 ATS year customer base will be known is around April May 2018 – when

- All ATS 2017 payments have been completed – in process now,
- Ineligible customers have been deregistered.
- All new registrations (including National Interest applications) are approved
- After these processes are completed we will have a certain answer.
- AusIndustry has worked closely with ATS customers to support customer's transition into ATS 2018 and or support their transition into other opportunities. (AMGF, RJIP, CDIC)

ATS registrants are not precluded from applying for assistance under the Advanced Manufacturing Growth Fund (AMGF) Round 2

s22

2018 NEWSLETTER

General

- Australian Motor Vehicle manufacturing ceased in October 2017
 - Toyota – 3 October 2017
 - GM Holden – 20 October 2017
 - Ford – 2016 (previous year)
- ATS Uncapped assistance ceased on 31 December 2017 as legislated (MVP only element)
- It is a condition of ATS registration that the automotive supply chain maintain production of *Original Equipment* goods and services (current motor vehicle production – i.e. this would now relate only to export contracts since the closure of Toyota and GM Holden).
- ATS continues to support automotive industry customers until 31 December 2020.
- AusIndustry has worked closely with ATS customers to support ATS customer's transition into ATS 2018 and or support their transition into other opportunities. (AMGF, RJIP, CDIC)
- Customers may seek permission to apply for ATS or continue their registrations from the Minister under the scheme's National Interest provisions.
- Streamlined applications for National Interest applications. The amount of detail and supporting information provided should be relative to the value of assistance the customer expects to receive. The regulated 'significance test' remains. 'POLICY ASSESSMENT'

Assistance

- Registered ATS customers who have met 2017 eligibility will receive all 2017 payments. (conducted eligible activities in the last quarter of 2017)

s22

- Deregistration processes will be completed after the Quarter 4 payment has been made.

ATS REGISTRATION INFORMATION (31 SEPTEMBER 2017)**CURRENT REGISTRATIONS**

	May 2017¹	October 2017¹	Comment
Current registrations²	107	107	No Change
Registration Applications Pending	Nil	Nil	No Change
Total	107	107	No Change

NOTE

- ESTIMATE HEARINGS
- 107 REGISTRATIONS** – 2 MOTOR VEHICLE PRODUCERS (MVP), 90 AUTOMOTIVE COMPONENT PRODUCERS (ACP), 7 AUTOMOTIVE MACHINE TOOL PRODUCERS (AMTP) AND 8 AUTOMOTIVE SERVICE PRODUCERS (ASP).

NATIONAL INTEREST APPLICATIONS

	May 2017	October 2017	Comment
Applications Approved - Active (currently receiving assistance)	7	7	No Change
Applications Pending (being assessed)	1	5	

**PROGRAMME SUMMARY – NATIONAL INTEREST APPLICATIONS
1 JANUARY 2011 TO 30 SEPTEMBER 2017**

New Permission considered and approved	5	5	No Change
Continued registrations approved	17	17	No Change
Subtotal (Approved)	22	22	No Change
Applications Pending	1	5	
Applications Rejected	4	4	No Change
Total	27	31	

NOTE:

NEW PERMISSION – NEW APPLICATION TO ENTER THE SCHEME (INCLUDES PREVIOUSLY REGISTERED CUSTOMERS)
CONTINUE REGISTRATION – EXISTING CUSTOMER (REGISTERED) SEEKING TO REMAIN IN THE SCHEME

ADDITIONAL NATIONAL INTEREST QUESTIONS

NUMBER OF COMPANIES WHO HAVE HAD MORE THAN ONE NATIONAL INTEREST APPLICATION APPROVED

October 2017 Estimates 4 No Change

(Published on ATS Website) **If asked:**

(Ford, Harrop Engineering, Carbon Revolution,
Australian Precision Technologies)

NUMBER OF COMPANIES WHO HAVE BEEN IN ATS UNDER NATIONAL INTERST FOR 3 YEARS OR MORE

October 2017 Estimates 3 No Change

(Published on ATS Website) **If asked:**

(Ford, Harrop Engineering, Carbon Revolution)

ATS – EXPECTED QUESTIONS

20 to 25 companies are expected to remain eligible for the ATS beyond 1 January 2018

s22

60 to 70 participants have forecast activities that may form the basis of an ATS claim beyond October 2017

s22

Customers are currently completing their annual business plans. We should be able to update this number at the next Hearing.

ATS registrants are not precluded from applying for assistance under the **Advance Manufacturing Growth Fund (AMGF)**

s22