



Auto aid free of pledge on jobs

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CARMAKERS have not been asked to guarantee jobs in return for almost \$250 million in federal payments, officials have revealed, amid new doubts about the conditions put on Canberra's help.

Ford and Holden will receive the aid without any written commitment to keep or create jobs, federal officials said, as they rebuffed requests for more details on the funding agreements.

The statements sparked Coalition accusations that Labor would hand out the money whether or not the companies hit their performance targets, such as the number of cars to be produced at local factories.

But the government hit back by pointing to Coalition plans to cut some of Labor's \$5.4 billion in assistance to the auto sector.

Industry Department automotive policy general manager Mark Durrant said employment targets were not included in the contracts with the carmakers.

"It hasn't been the policy of the commonwealth to have job numbers in these type of contracts," he told a Senate estimates hearing yesterday. Asked whether there were any guarantees from Holden about the number of jobs it would

create in return for \$215m in federal aid announced in March, Mr Durrant said: "I don't think the contract will do that."

The government revealed in February that the \$34m offered to Ford and the \$215m offered to Holden came from unspent funds in an \$847m "uncapped" part of its overall auto program.

Victorian Liberal senator Scott Ryan sought more details from department officials yesterday about the impact of the spending on jobs given the government's claims about protecting employment in the manufacturing sector.

"There are no guarantees of job numbers that the investment secures overall from Holden, so how do we then get to the point where we're boasting about investment securing jobs?" Senator Ryan said.

But the Minister Assisting on Manufacturing, Kate Lundy, said the Liberal senator was not representing the officials' comments accurately. "Our agreement does clearly invest in the automotive sector in a way that is deep and meaningful," Senator Lundy said.

Officials said the contracts with the carmakers were still being negotiated and that any bench-

marks in the agreements were commercial-in-confidence.

Coalition industry spokeswoman Sophie Mirabella said the estimates hearing showed money would flow to carmakers even if they did not hit their targets.

"The benchmarks to be reached before companies get taxpayer dollars are meaningless because the money is going to be given to companies irrespective of the benchmarks they reach," Ms Mirabella said.

Industry Minister Greg Combet said the Coalition was deliberately misleading what was said before the Senate estimates hearing.

"Ford and Holden will need to meet performance milestones in order to receive funding. The specific milestones are commercial-in-confidence matters," Mr Combet's spokesman said. "The Prime Minister has recently reaffirmed the government's commitment to ensure that the entire funding envelope of \$5.4bn will be made available to the automotive industry."

If those payments were not made there would be tens of thousands of job losses and dislocation to families, the spokesman said.