



## Hon Lily D'Ambrosio MP

Minister for Industry  
Minister for Energy and Resources

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Ref: D2015/34894

Mr Danny Pearson MP  
Chair  
Public Accounts and Estimates Committee  
Parliament House  
MELBOURNE VIC 3002



Dear Mr Pearson

### **2015-16 BUDGET ESTIMATES HEARINGS - QUESTIONS ON NOTICE, INDUSTRY PORTFOLIO**

Thank you for your letter of 17 June seeking my response to questions on notice relating to my industry portfolio. The questions and responses are:

**1. *Please identify any programs from the Industry and Enterprise Innovation output that are not listed on page 6 of the transcript and which will not be continued in 2015-16***

The following additional programs in my area of responsibility will not be continued in 2015-16, as their program objectives have been reached, or their funding has been reprioritised as part of the reforms to industry and innovation policy as advised in Labour's Financial Statement: Specialist Manufacturing Service, Automotive New Markets Program.

**2. *Please indicate which sectors of the mining industry there has been employment growth in Victoria between 2010 and 2015***

The figures presented to the Committee compared employment by industry in November 2010 and February 2015 (the most recent ABS figures at that time).

In November 2010 there were 8,900 people employed in the mining industry in Victoria. This had increased to 9,600 people employed in the mining industry in February 2015. This was an increase of 700 over the period.

Over the period, the Metal Ore Mining sub-sector had the largest increase in number of employees (an increase of 1,600). The Coal Mining subsector also recorded an increase in employment over that period (an increase of 700).

Other sub-sectors of the mining industry, such as Exploration and Other Mining Support Services, Oil and Gas Extraction and Non-Metallic Mineral Mining and Quarrying had reduced numbers of people employed over the period.

This data is provided quarterly by the Australian Bureau of Statistics (ABS) in catalogue 6291.0.55.003. The data is not seasonally adjusted, and can fluctuate from quarter to quarter. As employment figures are collected by survey, the reliability of small changes in employment numbers (such as these movements in mining) should not be over stated.

The most recent figures from the ABS, for May 2015 indicate that there has been continued growth in employment in the Metal Ore Mining subsector.

**3. Please advise the Committee about the total number of job losses that are expected across Victoria as a result of closures in the automotive manufacturing sector, breaking down the job losses into direct, supply chain and ancillary jobs**

In 2014, the Productivity Commission modelled the impact of the automotive industry change. It estimated Victorian job losses of up to 24,150 people in 2016-17 following the closure of large-scale passenger vehicle manufacturing.

The modelling estimates that 6,860 direct jobs will be lost in the three major passenger car manufacturers and 17,290 jobs will be lost in companies supplying the major manufacturers. The indirect job losses encompass automotive component manufacturers and companies supplying other goods and services to the passenger vehicle manufacturers.

The modelling assumes job losses of 80 per cent in the motor vehicle manufacturing industry, 40 per cent in automotive component manufacturers, and flow-on job losses in the broader supply chain proportional to each industry's sales to the passenger vehicle manufacturers.

Thank you again for writing to me and I trust this information will be of assistance.

Yours sincerely



**Hon Lily D'Ambrosio MP**  
Minister for Industry

Date: 12 / 7 / 2015