



Automotive Transformation Scheme (ATS) – Modulation

Programme status: Open for applications

Modulation is the process that ensures the amounts of assistance to be provided do not breach the limits imposed by section 8 of the *Automotive Transformation Scheme Act 2009*.

Part 3 of the *Automotive Transformation Scheme Order 2010* sets out how assistance made under the ATS is to be modulated.

Payments made to participants under the ATS will be modulated to provide a 55 per cent allocation of the available assistance to Motor Vehicle Producers (MVPs) and 45 per cent to Automotive Component Producers (ACPs), Automotive Machine Tool Producers (AMTPs) and Automotive Service Providers (ASPs).

The MVP modulation rate will be applied to unmodulated investment and unmodulated capped production assistance for MVPs.

The non-MVP modulation rate will be applied to unmodulated investment assistance for ACPs, AMTPs and ASPs.

In addition, the sales based cap will apply to all ATS participants. ATS participants in an eligible start-up period may only receive assistance limited to 15 per cent of eligible start-up investment. All other ATS participants may only receive assistance limited to 5 per cent of the sales value of automotive goods and services in the previous ATS year.

The details of the formulae used to work out the modulations rates can be found in the *Automotive Transformation Scheme Order 2010*.