



# 2011 Annual Report

Federal Chamber of Automotive Industries



# FCAI MEMBERS

## Members

Ateco Automotive Pty Ltd	Audi Australia Pty Limited
BMW Australia Limited	BMW Motorcycles Australia
BRP Australia Pty Ltd	Chrysler Australia Pty Ltd
Federation of Automotive Products Manufacturers	Ford Motor Company of Australia Limited
GM Holden Ltd	Harley-Davidson Australia Pty Ltd
Honda Australia Pty Ltd	Honda Australia MPE Pty Ltd
Hyundai Motor Company Australia Pty Ltd	Isuzu UTE Australia Pty Ltd
Jaguar Land Rover Australia Pty Ltd	John Sample Automotive Pty Ltd
Kawasaki Motors Pty Ltd	Kia Australia Pty Ltd
KYMCO Australia and New Zealand	Lexus Australia
Mazda Australia Pty Limited	Mercedes-Benz Australia / Pacific Pty Ltd
Mitsubishi Motors Australia Ltd	N F Importers Pty Ltd
Nissan Motor Company (Australia) Pty Ltd	Peter Stevens Importers
Peugeot Automobiles Australia	Polaris Sales Australia Pty Ltd
Porsche Cars Australia Pty Ltd	Proton Cars Australia Pty Limited
Renault Cars Australia	Saab Automobile Australia Pty Ltd
Sime Darby Motors Group	Skoda Australia
SsangYong Australia	Subaru (Aust) Pty Limited
Suzuki Australia Pty Limited	Toyota Motor Corporation Australia Limited
Volkswagen Group Australia Pty Ltd	Volvo Car Australia
Yamaha Motor Australia Pty Ltd	

## Life Members

1982 BL Burton CBE	1998 IF Grigg AM
1983 DI Donaldson AM	1999 DM Morgan
1987 RC Hunt	2001 P Thomas AM
1990 WL Dix	2003 P Hanenberger
1991 IA Deveson AO	2006 TR Phillips AM
1993 RH Johnston AO	2006 S Strickland
1994 BW Schlickum	2007 PM Sturrock
1995 JH Conomos AO	2008 TK Amery
1996 LP Daphne	2010 RJH McEniry
1997 MD Gough	2011 L Smalley
1997 MT Quinn AM	

# REPRESENTING THE AUSTRALIAN AUTOMOTIVE INDUSTRY

FCAI is the peak industry organisation representing manufacturers and importers of passenger vehicles, light commercial vehicles and motorcycles in Australia.

Australia's automotive industry is a major contributor to the nation's lifestyle, economy and community. It is a wide-ranging industry, involving importers, manufacturers, component manufacture and distribution, retailers, servicing, logistics and transport. It is also the largest manufacturing sector in Australia.

## Key facts about Australia's automotive industry in 2011\*

<b>1,008,437</b>	1,008,437 new vehicles were sold in Australia in 2011
<b>109,067</b>	Almost 110,000 motorcycles, ATVs and scooters were sold in the same period
<b>64</b>	There are now over 60 automotive brands in the Australian market
<b>110,000</b>	There are more than 110,000 businesses in the Australian automotive sector
<b>\$160 billion</b>	Annual turnover in the Australian automotive industry exceeds \$160 billion
<b>\$10 billion</b>	The industry pays more than \$10 billion in tax to Australian governments each year
<b>60,000</b>	The industry directly employs around 60,000 people through Australia's three vehicle manufacturers, dozens of importers and thousands of related component manufacturers
<b>400,000</b>	The automotive industry employs more than 400,000 people directly and indirectly throughout Australia
<b>\$3.3 billion</b>	The Australian automotive sector exported around \$3.3 billion worth of vehicles and components in 2011
<b>\$798 million</b>	The automotive industry is the largest contributor to manufacturing research and development in Australia, investing around \$798 million in 2007-08
<b>7.6%</b>	Passenger vehicles contribute 7.6% of Australia's greenhouse gas emissions
<b>20%</b>	The average new vehicle emits 20% fewer CO <sub>2</sub> emissions than in 2000, and just a fraction of nitrous oxide and particulate matter
<b>75%</b>	Up to 75% of vehicle components are recycled or re-used
<b>3.5%</b>	The effective average tariff rate is 3.5%, taking Free Trade Agreements into account, down from over 30% in the 1990s

\*These figures are updated on a regular basis. Download the most recent Key Facts from FCAI's website at [www.fcai.com.au](http://www.fcai.com.au)

# PRESIDENT'S REPORT



2011 was the year the Australian automotive industry faced three combined and considerable challenges – a changing political landscape, tempestuous environmental events, and uncertain economic conditions.

At home a minority Australian Government took office as extreme weather events devastated many Australian communities. Global uncertainty also overshadowed our economy while natural disasters impacted key product supply areas, most noticeably Japan and Thailand.

The first six months of 2011 were tough, with vehicle sales considerably down on long-term averages and also on 2010 levels. The winter of 2011 was characterised by a sustained shortage of new vehicles from regions affected by tsunami, earthquake and floods, and it was only towards the end of the year that supply came close to meeting demand.

However, the resolve of Australia's automotive industry – both domestic manufacturers and importers – paired with the resilience of new car buyers, ultimately delivered an outstanding

result. Consumer confidence recovered so well in the second half of the year that motor vehicle sales in Australia for 2011 totalled 1,008,437. The result made 2011 only the fourth year in the history of the Australian automotive industry that annual sales had exceeded the one million mark.

This achievement highlighted the determination of the Australian automotive industry to be successful within one of the world's most open and competitive markets.

While fiercely competitive on the showroom floor, our industry also understands the value of collaborative effort through FCAI. This year more than ever, our peak body has demonstrated the importance of having one clear, strong and representative voice to articulate the industry's collective views to government and advocate appropriate policy settings.

Strong advocacy on our behalf was certainly needed during 2011. Climate change re-emerged as a central issue in the public policy debate, with considerable implications for the automotive sector. FCAI confirmed the industry's support for action to reduce carbon emissions, highlighting our strong track record in improving fuel economy and reducing carbon emissions. The caution was sounded, however, that any such action must be implemented in a way that did not undermine our competitive position, or lead to leakage of carbon emissions from Australia to other economies.

In seeking to maintain the sector's competitiveness, FCAI contributed to the development of a national carbon pricing mechanism with research which demonstrated that the cost to the automotive sector could be in the order of \$30 million to \$46 million a year, even with compensation for emissions intensive trade-exposed industries. This is a cost that we could not afford to pass on to customers and would have to absorb into already tight budgets. Once the Government's carbon pricing package was announced, FCAI continued to advocate the need for implementation of a regime which minimised the risk of future automotive investment simply bypassing Australia altogether.

FCAI also worked with the Government to develop a meaningful and effective CO<sub>2</sub> emissions standard for new motor vehicles in Australia. Important goals for the standard are equity between individual brands and effective encouragement for the uptake of emerging low-emission technologies and alternative fuels in Australia.

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Reform of taxes on motor vehicles remained a key priority for FCAI in 2011.

In the Federal Budget the Australian Government announced changes to fringe benefits tax arrangements for cars, simplifying the current statutory formula by introducing a flat 20 per cent rate. While we accepted the change to a flat rate, we questioned the level at which it applied. We also argued that car buyers should not be expected to simply shoulder an increased tax burden without meaningful reforms that deliver tangible benefits in terms of motoring affordability, safety and environmental performance.

FCAI ramped up efforts to convince the Government of the need for the abolition, or significant reform of the luxury car tax. There is growing support among policy-makers, industry and other stakeholder groups that the luxury car tax is outdated and has become a punitive tax which acts as a disincentive for advanced vehicle safety and environmental technologies.

On the manufacturing policy front, Australia remains one of a select group of nations with the ability to take a new motor vehicle from first concept through to final manufacture. Around the world, governments are bending over backwards to secure new investment in automotive manufacturing and every major automotive producing nation has some form of co-investment, or partnership involving industry and government.

Over many years, successive Australian Governments have implemented policies to progressively open the Australian automotive market to the world, while ensuring that Australia remains an attractive and viable location for international investment in automotive design, engineering and manufacturing.

In January 2011 the Government announced the abolition of the Green Car Innovation Fund, a key element of the New Car Plan for a Greener Future. This was a deeply disappointing decision for Australian automotive manufacturers, and a particularly unsettling one from a business certainty perspective.

Given the nature of the new model development cycle it is essential that local manufacturers (and international parent companies) are able to rely on a strong level of certainty and stability about the policy environment in which they operate. We therefore welcomed the Prime Minister's subsequent commitment that all other parts of the new car plan would be retained.

Clearly, an ongoing key role for FCAI is to raise the awareness of political decision-makers and the broader community about the significant economic benefits that accrue to Australia from having a strong and viable automotive industry.

The task of achieving effective and well-designed policy and regulatory outcomes for the Australian automotive industry was a considerable challenge for FCAI in 2011, notwithstanding the fact that there were changes to key personnel.

We bade farewell to FCAI Chief Executive Andrew McKellar in mid-2011. Andrew served the organisation with distinction for a decade, including four years as Chief Executive. Respected former industry department official, Steve Payne, then provided stewardship to the organisation for three months as Interim Chief Executive until our current Chief Executive, Ian Chalmers, joined the secretariat towards the end of 2011.

On behalf of the membership, I thank the past and present secretariat team for their endeavours during 2011 on behalf of the Australian automotive industry. The effort required to protect the sector's best interests in an exceptionally difficult year did not go unnoticed or under-appreciated by us.

I would also like to thank my fellow Directors on the FCAI Board for generously contributing their time and wise counsel to the collective benefit of the industry during what was a difficult year commercially.

With the recovery of vehicle sales in the second half of 2011, FCAI and its members look forward to another strong year but do not underestimate the political and policy challenges that await us in 2012.

One certainty will strengthen our case and our resolve: we have a great industry, which forms a vital part of most Australians' everyday quality of life. Nobody can afford to take it for granted.

**Mike Devereux**  
2011 FCAI President



# CEO'S REPORT

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There are many challenges and priorities that require attention from FCAI and its members in any given year, but the one which stood out in 2011 was the industry's determination to keep improving vehicle safety and reducing the road toll.

2011 was an important year globally as well as nationally for road safety reform. It marked the start of the United Nations Decade of Action for Road Safety, which aims to highlight the benefits that can be secured from coordinated efforts to achieve enhanced road safety outcomes. 2011 also saw the lowest Australian road toll in 65 years.

This very welcome outcome is the result of improved driver training, better road design, safer cars and enforcement of existing traffic regulations.

The huge investment being made by manufacturers in vehicle safety technology has assisted in cutting the number of road fatalities by providing an extremely high standard of vehicle occupant and pedestrian protection. In fact almost 92 per cent of new cars sold in Australia during 2011 were rated 4-star or 5-star by Australia's independent vehicle safety advocate, the Australasian New Car Assessment Program (ANCAP). ANCAP crash tests new vehicles and awards a star rating for safety. FCAI is also working with ANCAP on the rollout of its safety road map which lays out safety technologies and features which will be incorporated into its testing processes through to 2016.

The industry's determination to dramatically reduce road deaths can be seen in the speed with which safety innovations have been developed and made available. Only a few years ago most new vehicles had one or two airbags, whereas today the standard is four or six airbags including side protection. Almost all new cars now have electronic

stability control and other advanced safety technologies such as lane departure warning systems, active braking systems, intelligent lighting systems and driver fatigue monitoring are being introduced. Vehicle manufacturers are also investing in technologies that will allow vehicles to communicate with each other and their surrounding infrastructure.

The safety of motorcycle riders and ATV users is similarly important to FCAI and its members.

With more and more two-wheelers on Australian roads, motorcycle riders account for a disproportionate share of serious casualties. Motorcycle brands are actively promoting increased safety through new model investment, strengthened support for rider training, and creating greater awareness of the safety benefits from using high quality protective clothing and equipment. Even so, it remains clear that further investment in better-designed road infrastructure remains the most urgent and effective means to enhanced safety outcomes for motorcycle and scooter riders.

While we saw a promising decrease in the road toll during 2011, the story was starkly different on Australia's farms and other rural properties. Despite concerted efforts by FCAI members to improve the safety awareness and behaviour of ATV riders, many still do not wear appropriate protective headgear or use the vehicle in an inappropriate manner, with sometimes tragic consequences.

The safe use of ATVs is determined by improved rider competency, wearing a helmet, keeping children off adult-sized ATVs, not carrying more than the approved number of passengers, and not using the ATV on terrain or in applications for which it is not suited.

This is a simple and easily understandable message that the industry has strived to communicate to ATV users. Unfortunately, some individuals in the farm safety fraternity have been more interested this year in questioning ATV suppliers' concerns about the efficacy of rollover protection devices (ROPs) than helping us to explain the need for riders to be appropriately trained, wear helmets and use ATVs responsibly. An explanation of our position on ROPs can be found later in this report.

Safety is only one of the many issues on which FCAI worked for its members during 2011. Short summaries of the key issues and activities that occupied us during the year can be found in this report. Also included are the annual vehicle sales results for 2011 and a condensed version of the address that 2011 FCAI President, Mike Devereux, gave on "Why Manufacturing Matters" to the National Press Club of Australia in December.

FCAI's ongoing engagement with government continued throughout the year. Both FCAI and the Federation of Automotive Products Manufacturers (FAPM) reciprocally hosted Friends of Manufacturing events at Parliament House, which complemented an ongoing array of individual meetings with both government and opposition parliamentarians. We participated in, and addressed, both the Tax Forum and the Jobs Forum in September. FCAI was also represented at the ALP National Conference in November, during which a series of meetings with key cabinet ministers, including the Treasurer, took place.

A significant feature of FCAI's political and policy activity in Canberra during 2011 was our very close, candid and constructive relationship with then Industry Minister, Senator Kim Carr. Senator Carr was an outstanding advocate of the importance to our nation of a strong, resilient and enduring automotive manufacturing sector. Senator Carr's enthusiasm for, and commitment to, our industry will be long remembered.

The secretariat saw a significant changing of the guard with the departure of my predecessor, Andrew McKellar, in mid-2011 and other staff during the course of the year. I wish to express my personal thanks to the secretariat staff who continued to work assiduously on behalf of FCAI members under the direction of three different Chief Executives during 2011. I would also like to

thank the Board for their commitment to ensuring that FCAI remains a strong advocate for members, and the many FCAI committee members who devoted their time and considerable industry knowledge to the development of FCAI's policies and submissions.

It is an understatement to say that 2011 was a challenging year, but it was a year in which the Australian automotive industry yet again showed its determination to succeed; individually in the market as well as collectively through FCAI. While there is no way to predict whether next year will be any more or less formidable, FCAI looks forward to continuing to play this role in 2012.

**Ian Chalmers**

FCAI Chief Executive

## 2011 FCAI BOARD



**Mike Devereux, President**  
Chairman and Managing Director  
GM Holden Ltd



**Lindsay Smalley, Vice President**  
Senior Director  
Honda Australia Pty Ltd



**Masahide (Max) Yasuda**  
Vice President  
President, Toyota Motor  
Corporation Australia Ltd



**Doug Dickson, Honorary Treasurer**  
Managing Director  
Mazda Australia Pty Ltd



**David Blackall**  
Managing Director, Jaguar Land  
Rover Australia Pty Ltd



**Steve Cotterell**  
Managing Director, Yamaha Motor  
Australia Pty Ltd



**Rob Dommerson**  
Managing Director, Peugeot  
Automobiles Australia



**Bob Graziano**  
President, Ford Motor Company  
of Australia Limited



**Samantha Read**  
Executive Director  
Corporate Affairs, GM Holden Ltd



**Hans Tempel**  
President & CEO  
Mercedes-Benz Australia/  
Pacific Pty Ltd



**Michael Winkler**  
Managing Director  
Porsche Cars Australia



**Andrew McKellar**  
Chief Executive, FCAI  
(to July 2011)



**Steve Payne**  
Acting Chief Executive, FCAI  
(July to Sept 2011)



**Ian Chalmers**  
Chief Executive, FCAI  
(from Sept 2011)

# STATE OF THE AUSTRALIAN AUTOMOTIVE INDUSTRY 2011

## A resilient and strong domestic car market

*2011 full year sales were an exceptional result given the effects of natural disasters both at home and abroad throughout the year*

The Australian new motor vehicle market staged a remarkable comeback in the second half of 2011 to finish above one million calendar-year sales for only the fourth time in history.

A total of 1,008,437 new passenger cars, SUVs and commercial vehicles were delivered to customers during 2011. This number was a decrease of 27,137 vehicles or 2.6 per cent on 2010, due to challenging market conditions and significant supply shortages during the year.

The uptake of new vehicles was impacted early in the year by economic uncertainty, closely followed by natural disasters in the key markets of Western Australia, NSW, Victoria and Queensland. Sales were further subdued by Japan's devastating earthquake and tsunami, with a resulting shortage of export vehicles from that country a secondary outcome to the extreme loss of life experienced by the Japanese people.

However, the resilience of the Australian marketplace, combined with strong industry resolve, saw sales recover strongly in the fourth quarter, with total sales finishing just 3.9 per cent behind the FCAI's forecast of 1,050,000 for the year.

### In summary:

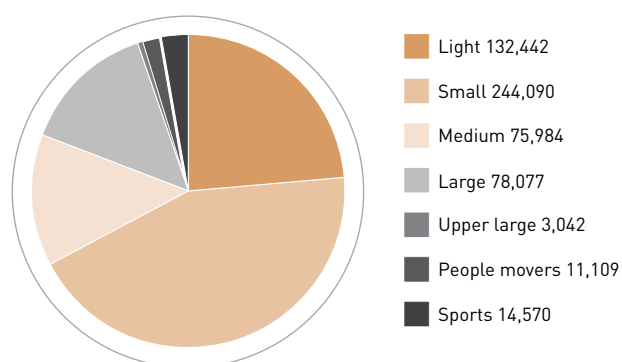
- The total passenger car market reached 559,314 vehicle sales, a decrease of 32,808 vehicles or 5.5 per cent compared with 2010.
- The small vehicle segment was the only passenger car category to grow in 2011, with 4,992 or 2.1 per cent more small cars sold than the previous year. Small cars remained the largest category within the passenger car market with 244,090 sold in 2011.
- The number of sports utility vehicles (SUVs) sold in Australia continued to grow in 2011. SUV compact models increased their sales by 5.8 per cent to reach 121,387 vehicles; SUV medium vehicles decreased by 4.0 per cent to 80,485; SUV large vehicle sales increased by 0.7 per cent to 12,336 while SUV luxury models grew by an impressive 22.4 per cent to 29,928 vehicles.
- Sales of light trucks and commercial vehicles dropped slightly by 1.5 per cent to 176,940, although the 4x4 light commercial segment grew by 6.3 per cent to 99,850.
- The heavy truck and commercial market also recorded a drop of 2.0 per cent to 28,047.

In terms of individual brand performance in 2011, Toyota was the best-selling vehicle brand in 2011, with 181,624 sales for a market share of 18 per cent. GM Holden and Ford finished second and third with 126,095 sales (12.5 per cent market share) and 91,243 (nine per cent) respectively.

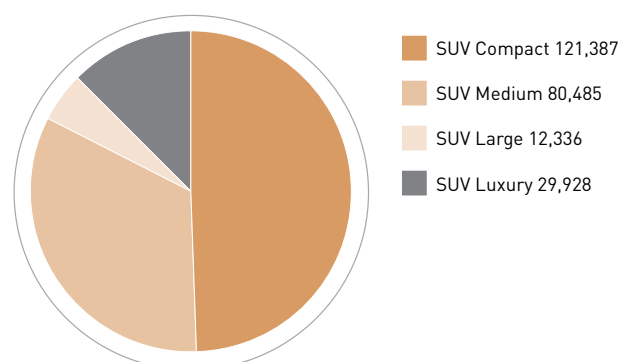
Mazda3 was the best-selling model for the full year, edging out Holden Commodore by 812 vehicles to finish with 41,429 sales. Toyota HiLux was third overall with 36,124 sales, followed by Toyota Corolla (36,087) and Holden Cruze (33,784).

More information about new motor vehicle sales can be obtained by visiting the FCAI website [www.fcai.com.au](http://www.fcai.com.au)

## Passenger motor vehicle sales 2011 559,314 units



## SUV sales 2011 244,136 units





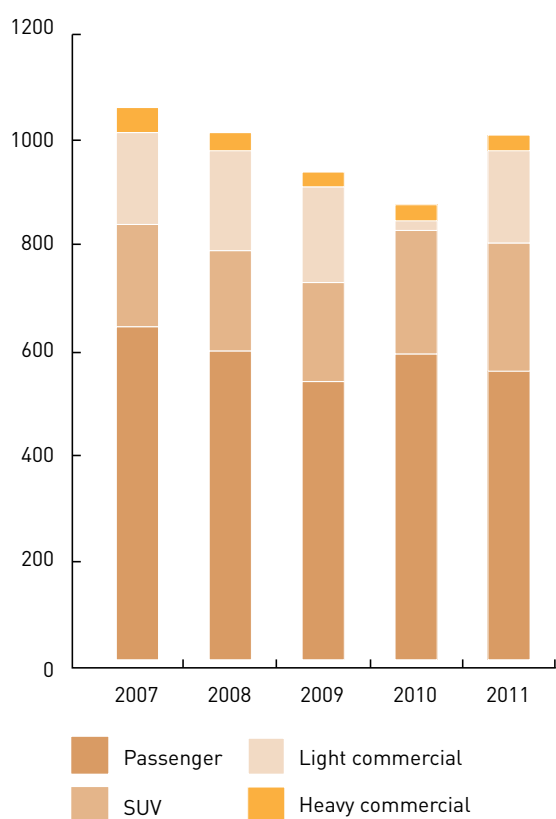
# AUSTRALIAN LIFESTYLE DRIVES NEW CAR CHOICES

While Australians have an enduring enthusiasm for new vehicles, their purchasing behaviour has changed. In the case of both conventional passenger cars and SUV sales in 2011, small or compact vehicles won the greatest increase in consumer support. Demand for compact SUVs was up 5.8 per cent and demand for small cars was up 2.1 per cent.

Significantly, and for the first time in several decades, the best-selling vehicle in Australia was a small four-cylinder car. The Mazda3 achieved 41,429 sales, to edge out the Holden Commodore which finished on 40,617 sales. Toyota HiLux finished third with 36,124 sales, followed by Toyota Corolla with 36,087 sales, and Holden Cruze at number five with a total of 33,784 sales.

The demand for sport utility vehicles was up again – an increase of 3.8 per cent – which is a phenomenal result suggesting that Australians are embracing SUVs as the new family car. Likewise the demand for commercial vehicles – and in particular 4WD utilities – continued to outpace the overall market. Success of the industry in each of the key growth states (Queensland up 15.2 per cent and WA up 7.5 per cent) is a likely contributor to these results.

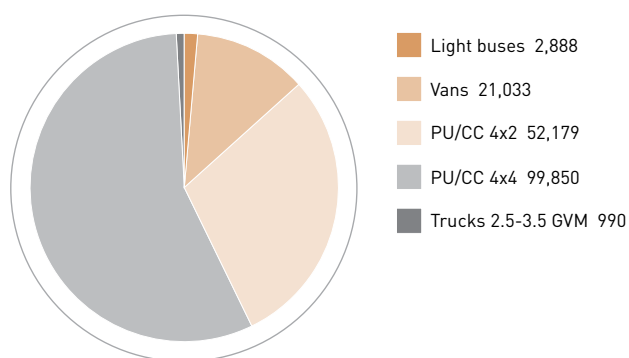
## Australian new vehicle market



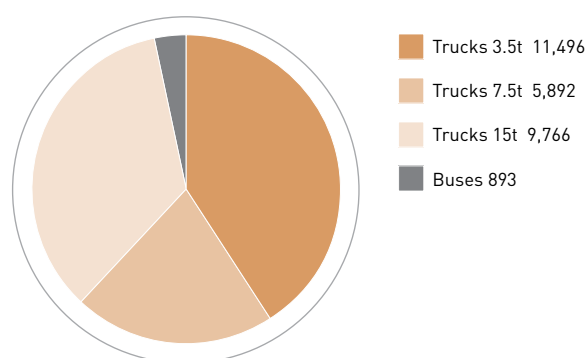
## Top 10 vehicle sales by brand

Rank	Brand	2011		2010	
		Volume	Share	Volume	Share
1 ↓	Toyota	181,624	18.0%	214,718	20.7%
2 ↓	Holden	126,095	12.5%	132,923	12.8%
3 ↓	Ford	91,243	9.0%	95,284	9.2%
4 ↑	Mazda	88,333	8.8%	84,777	8.2%
5 ↑	Hyundai	87,008	8.6%	80,038	7.7%
6 ↑	Nissan	67,926	6.7%	62,676	6.1%
7 ↓	Mitsubishi	61,108	6.1%	62,496	6.0%
8 ↑	Volkswagen	44,740	4.4%	38,016	3.7%
9 ↓	Subaru	34,011	3.4%	40,025	3.9%
10 ↓	Honda	30,107	3.0%	40,375	3.9%

## Light commercial sales 2011 176,940 units



## Heavy commercial sales 2011 28,047 units



## Motorcycle sales continue to increase

Motorcycle sales in Australia continued to grow significantly in the final months of 2011, with a total of 109,067 new motorcycles, all-terrain vehicles (ATVs) and scooters delivered to customers during the full year 2011. This number was an increase of 3,226 motorcycles (or growth of 3.0 per cent) on 2010.

Recovery of motorcycle sales was encouraging given some recent years of soft sales nationwide. While sales of road and off-road motorcycles were reasonably static throughout the year, scooter and all-terrain vehicle (ATV) segments continued their impressive growth.

The 18.4 per cent growth in ATV sales is considered to be indicative of the recovery of rural economies nationwide, where ATVs are most popular. 8.9 per cent growth in scooter sales continued to highlight the popularity of these modes of personal transport, as motorists

sought to avoid high petrol prices and increasingly congested metropolitan roads.

### In summary:

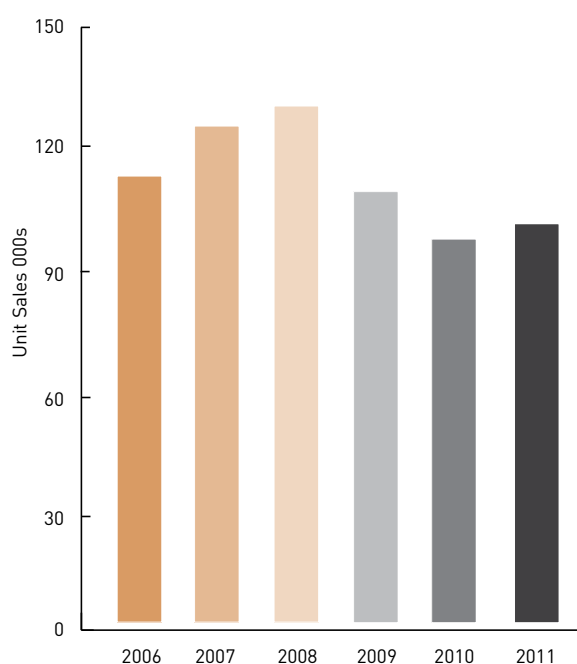
- A total of 22,428 ATVs were sold in 2011, up 18.4 per cent (or 3,486 units).
- More than one in five motorcycles sold last year was an ATV.
- The scooter segment finished the year with 11,374 sales, up 8.8 per cent (or 929 scooters).
- Sales of road bikes recovered strongly in the fourth quarter, finishing the year 1.4 per cent ahead of 2010 with 38,628 sales.
- The only segment not to grow in 2011 was off-road motorcycles, with sales volumes declining 4.5 per cent (1,735 sales).

- The off-road segment remains the second largest, however, accounting for 36,637 sales, which is almost 34 per cent of the total market.

Japanese manufacturers continue to dominate sales. Honda was the number one brand, delivering 24,024 motorcycles to the end of December. Yamaha was in second position with 20,152 sales, followed by Suzuki (13,671), Kawasaki (9,745) and Harley Davidson (6,427).

Honda's CRF50F was the most popular single model (2,982 sales), followed by long-time favourite the Honda CT110 model, sold almost exclusively to Australia Post as a delivery bike. Honda's CBR250R was the country's most popular conventional road bike with 2,172 sales.

## Motorcycle sales 2006-11



## Top 10 motorcycle sales by brand

Brand	2011	2010	% Change
HONDA	24,024	23,086	4.1
YAMAHA	20,152	20,500	-1.7
SUZUKI	13,671	14,749	-7.3
KAWASAKI	9,745	9,442	3.2
HARLEY DAVIDSON	6,427	6,073	5.8
POLARIS	4,854	3,910	24.1
KTM	4,812	5,023	-4.2
TRIUMPH	3,078	3,199	-3.8
KYMCO	2,795	2,364	18.2
HUSQVARNA	1,930	1,614	19.6

# A VIGOROUS AND CHALLENGING OPERATING ENVIRONMENT

During 2011 FCAI commissioned PricewaterhouseCoopers (PwC) to report on the operating environment facing the Australian automotive industry.

The report confirmed that the industry continues to be a substantial contributor to the Australian economy. PwC also found that the challenges facing the industry are predominantly externally generated, arising from the broader economic integration between Australian and international economies. The following challenges were identified for the Australian automotive sector:

- **Access to finance** - the longer-term impact of the global financial crisis (GFC) has been a global reduction in available finance for investment in automotive manufacturing.
- **Increased competition for investment attraction** - as a result of the global economic downturn, overseas governments intervened to diversify and strengthen their manufacturing base. In comparison, the level of assistance and co-investment received by Australian manufacturers is relatively low.
- **Exchange rate** - as a result of the mining boom the \$A has appreciated markedly, increasing the competitiveness of imported cars in the domestic market and reducing the competitiveness of Australian exported automotive products.
- **Reciprocal market access** - the Australian Government unilaterally reduced the general automotive tariff from 10 per cent to 5 per cent in 2010, yet other major automotive manufacturing nations have responded to the economic downturn by increasing protective barriers. Moreover, based on current tariff and excise arrangements, Australia's free trade agreements do not appear to be providing export market access for Australian vehicle manufacturers.

PwC also found that the strength of the local new vehicle market masks the challenges facing the Australian vehicle manufacturing industry. Local vehicle production has dropped by over 40 per cent since a peak in 2004.

The majority of this reduction has occurred since the global economic downturn and is a consequence of:

- Increased competition (due to tariff reductions and strengthening of the \$A) in the Australian domestic market resulting in a reduction in locally produced vehicles from 30 per cent to 15 per cent of the domestic market.
- Weakened consumer confidence and changes in consumer demand for smaller, low emission vehicles.

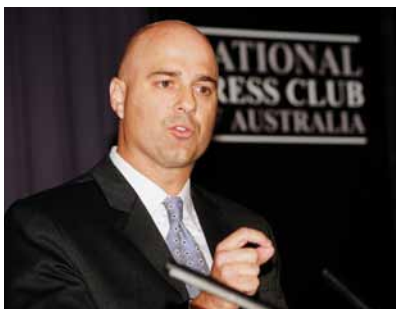
Going forward, given the global economic environment, the report states it is reasonable to expect that:

- **For new automotive investment** - broad macroeconomic, trade and consumer trends (i.e. the higher \$A, expansion of free trade agreements without reciprocal market access) will continue. These are challenges to which the Australian automotive manufacturers will need to respond with new investment and increased productivity.
- **For investment attraction** - current patterns of co-investment by overseas governments imply very strong competition for global automotive industry investment. This investment is needed to produce the next generation of low emission vehicles in Australia.

PwC concludes by saying that "Drawing together the macroeconomic, trade policy and government support forces which shape the competitive environment in which the Australian automotive manufacturing industry operates the following observations can be drawn:

- The industry will feel pressure during an extended resource boom through increased competition for capital and labour, although the effects of this are expected to be secondary to the impact of the stronger local currency.
  - During the course of a prolonged resource boom, the industry will continue to have international and domestic competitiveness eroded by higher export prices and cheaper import prices.
  - There appears to be a reversal in the trend towards trade liberalisation and increased market access pursued through the WTO and FTAs, with a wave of government intervention, that can be viewed as protectionist, increasing in the wake of the global economic downturn.
  - The trend of increasing protection can be expected to continue in the short to medium term while there is lingering global economic uncertainty and volatility. From a domestic perspective, the co-investment policies pursued by overseas governments are creating a highly competitive environment in which Australian manufacturers need to attract investment to underpin the research, development and production of the next generation of low emission technology vehicles.
  - In the longer term, many of the overseas governments that have re-established co-investment programs will not necessarily have the fiscal capacity to sustain this level of assistance. This contrasts to Australia which has a relatively sound fiscal position.
- The full PwC report *The Australian automotive industry and a changing competitive environment* can be downloaded from [www.fcai.com.au](http://www.fcai.com.au)

# MAKE IT IN AUSTRALIA: WHY CAR MANUFACTURING MATTERS



2011 FCAI President, Mike Devereux, addresses the National Press Club

On 7 December 2011, FCAI President, Mike Devereux addressed the National Press Club of Australia. This is a condensed version of his nationally televised speech:

If we give up manufacturing capability, we mortgage our future for the things we can't even imagine today. If we're serious about Australia being a 'knowledge economy', we need strategic capability. A first-class education system and the ability to build things – high-tech, value-add products like cars – are the building blocks.

Australia's automotive industry is anything but prehistoric. We are developing new technologies, state-of-the-art manufacturing skills and growing energy industries to help solve other problems – like climate change. As importers and local manufacturers, we play a strategic role in addressing sustainability and helping people reduce carbon emissions.

Billions of dollars are being spent on R&D for new powertrain technologies, innovations in light-weighting, alternative fuels and electrification. By the end of 2012 around 30 new environmentally friendly models will be on sale in Australia giving drivers a choice between all-electric, hybrid, LPG, diesel or ethanol.

There's no silver bullet here or in any other market when it comes to the environment. We need to pursue a range of options including electrification, but we also need real world solutions for today that support the way Australians really live. No matter which

solutions customers tell us they want, the investments being made by the car companies are helping to create jobs, a clean energy future and enhance our strategic capability.

Manufacturing – more than any other sector – creates jobs. And not just downstream in terms of components, but actually outside its own sector in industries like packaging, telecommunications, mining and construction. For the auto industry in Australia, which directly employs around 60,000 people, it's estimated that for each of these jobs another six people are employed in supporting industries.

The automotive industry is also the largest R&D contributor in the Australian manufacturing sector. Our ability to work on global vehicle programs is a critical part of this. Global platforms enable car makers to get the scale they need to cover ground-up development costs – which in the case of VE Commodore was a billion dollars.

Common platforms are underneath different models and different brands around the world and enable car makers to deal with increasing fragmentation in the market and competition for capital.

Global vehicle development gives Australia the opportunity to design and engineer vehicles for global markets around the world. It also gives our local component makers the opportunity to tap into global supply contracts – opportunities that simply wouldn't exist without local manufacturing. Our manufacturing infrastructure, and the skills in our industry, can also be used to create non-automotive products.

The automotive industry is one of the biggest employers of industrial designers in Australia. Trained in world leading universities like Monash and RMIT, the auto industry provides a vital training ground for designers who often become 'live' Australian exports. Automotive manufacturing is the biggest customer of Australia's tooling industry and maintains a critical mass of demand for these skills which are also needed by other sectors – particularly mining and aerospace.

We need tool makers, we need people who can turn a lathe, we need fitters and turners, boiler makers, tool designers, maintenance workers and fabricators. We can't afford to lose these skills and job opportunities for young people who don't necessarily want to go university.

There should be no misunderstanding or doubting the strategic nature of automotive manufacturing to Australia.

When we compete to design, engineer or build a new model in this country, we're not competing with rival brands – we're competing with rival countries. And there are currently 13 of these nations by the way, only 13. And there are a lot more who want to do what we do and who will offer whatever it takes to attract that investment – because they understand what that means for education, employment and innovation. They understand the strategic rationale to have this type of industrial capability. And where this billion-dollar-capital-intensive industry exists, one of two things happen: government protection or government investment... and sometimes both.

So where does Australia fit? Australia is one of the most, if not the most, open car market in the world. Vehicle tariffs in Australia are on average around 3.5 per cent, down from more than 30 per cent in 1990s. And tariffs on cars imported into Australia are lower than on mining, electrical and agriculture products.

Australia's long-term policy to open this market, increase competition and force local car makers to be even more competitive, has absolutely achieved its objectives. We innovated, we got flexible, we got competitive. Australia has more than 60 automotive brands in a market of just one million new sales. As barriers have come down, imported vehicles have naturally increased quite significantly – today around 85 per cent of new cars are imported.

The car industry is not calling for a return to protectionism. This is categorically not the case. But in other countries where integrated car industries exist – where companies have the capability to design, engineer, build and sell cars – there are either trade barriers of some form to protect these investments or direct or indirect financial support to attract and retain investment.

Where does that leave Australia? I think we're at a fork in the road. In the short-term, losing the car industry would mean walking away from:

- exports worth \$3.3 billion a year
- 60,000 immediate Australian jobs, and more in supporting industries
- billions of dollars in tax revenue and wages and salaries pumping into the economy each year and
- billions of dollars in R&D for many years to come.

Let's be under no illusion about the competition we face from within our own organisations as we fight for capital investment in this country – and from the other countries around the world that want to do what we do.

What is absolutely critical is long-term policy certainty, clarity, consistency and competitiveness. We can't establish long-term co-investment plans only for the Government to pull the rug out from under companies half way through decade long product development and investment cycles.

It's our job to be as flexible as possible, we have to run extremely lean and efficient operations. We are committed to being the best of the best and competing to overcome the challenges that high labour costs and high currency present in this country.

So if Australia does want to be a knowledge economy and a diverse economy, and it wants to be more than a farm, a mine or a hotel, then we need to invest in our capability to design, engineer and build.

If we don't, the real opportunity cost is something we can't even imagine today.

## Actual extent of industry assistance in Australia revealed

On 14 November 2010 the OECD released a report called *OECD Economic Surveys: Australia, November 2010*.

The report falsely stated that the level of subsidies to the Australian automotive industry is the second highest in the OECD on a per capita basis.

Independent examination of the information used by the OECD to reach this conclusion found that 12 years of government assistance had been counted as being provided over a two year period.

It compared Australia's 12-year New Car Plan launched in 2008 by the Rudd Government against short-term retail 'stimulus' programs like cash for clunkers, in France, Germany and Sweden, some of which lasted less than 12 months.

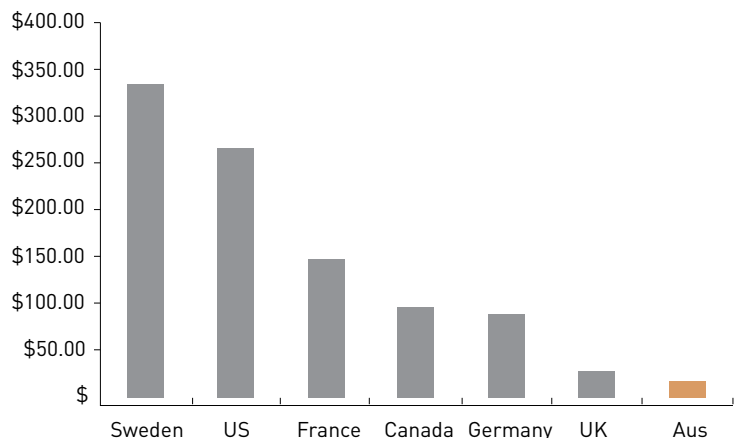
When accurate figures were used, Australia was found to have amongst the lowest levels of assistance on a per capita basis. The OECD estimated around \$200 a person in support for the Australian industry, when in fact it may be less than \$20 a person.

The Australian auto industry is in fact competing in a global market with a fraction of the direct financial support, on a per person basis, compared to other major automotive nations like the US, Sweden, France, Canada, Germany and the UK.

The OECD has since stated there were errors in this report saying: "Amount of subsidies to the auto sector may not include all forms of government support and covers varying time frames ..."

### Good Data = Good Policy

#### Government Budgetary Assistance to the Automotive Industry, 2008-09 \$US/capita 2007 PPP



Source: Sapere Research Group

A more detailed explanation of these findings can be found in the report *Budgetary Assistance to the Australian Automotive Sector*, which can be downloaded from [www.fcai.com.au](http://www.fcai.com.au)



# PROGRESS ON KEY ACTIVITIES IN 2011

## Abolition of Green Car Innovation Fund

FCAI and its car manufacturing members were profoundly disappointed by the Australian Government's decision in January 2011 to abolish the Green Car Innovation Fund (GCIF). The GCIF was created in response to the 2008 review of the automotive industry after extensive consultation with the industry and other stakeholders. It was a key element of the Government's New Car Plan and was intended to attract new investment to the Australian automotive industry in more environmentally friendly, low emission vehicles and technologies. Importantly the fund recognised the high cost of investing in R&D, which occurs years before new vehicle models reach production. The decision was undertaken without consultation and without consideration of the long-term investment undertakings provided by the industry. Following a meeting with the FCAI President, the Prime Minister and Minister for Innovation, Industry, Science and Research, Kim Carr, issued a media release confirming that "all other parts of the New Car Plan for a Greener Future", of which the GCIF was a key element, would be retained.

## Need for manufacturing policy certainty

In December FCAI's President, Mike Devereux, reinforced the need for the Australian automotive manufacturing sector to have policy certainty in light of the unexpected abolition of the Green Car Innovation Fund. He did this during a televised address to the National Press Club of Australia. FCAI's key message was that Australia is one of the, if not the most, open car markets in the world. Mr Devereux said the local car manufacturing sector can be part of the 'golden age of manufacturing' if governments provide long-term policy certainty, clarity, consistency and competitiveness. This message has been further relayed in meetings with the Government and the Federal Opposition to ensure that Australia remains an attractive investment opportunity for auto manufacturers.

## Ports

Considerable time and effort was expended during 2011 on a number of issues related to Australian ports.

In February, the Victorian Government announced it would conduct a feasibility study into relocating the automotive trade currently handled by the Port of Melbourne to the Port of Geelong. The study was undertaken by the Victorian Department of Transport with the assistance of external consultants Sinclair Knight Merz. FCAI provided comment on a Discussion Paper released in July regarding the proposed relocation, highlighting that the land size allocated under the proposal was insufficient to meet industry's needs in the medium to long term; the site did not meet the industry's criteria for a functional automotive terminal, which would have flow-on effects to the supply chain and increased costs to the industry; and the key policy drivers such as regional development and reduced traffic congestion on the West Gate Bridge, would not be achieved by the proposal. The Government is expected to finalise this decision in 2012.

Work continued to find a solution to the industrial fallout issue at Port Kembla.

## Carbon pricing and CO<sub>2</sub> emissions

The Multi-Party Climate Change Committee (MPCCC) established by the Australian Government announced a proposed carbon price mechanism in July initially involving a fixed price that would transition to a market price over time. In response to a request by the Commonwealth Department of Climate Change and Energy Efficiency for comment on the proposal, FCAI and the Federation of Automotive Products Manufacturers (FAPM) provided a joint submission prepared by PricewaterhouseCoopers.

The submission estimated that the cost of the proposed mechanism to the domestic automotive industry was likely to be in the order of \$30m-\$46m per year depending upon various factors including compensation.

During numerous discussions and negotiations over the course of the year, FCAI emphasised that a cost of this magnitude would further undermine the competitive position of local manufacturing, making it harder to secure investment. FCAI also noted that, while the Australian automotive industry supports the objective of reducing carbon emissions, the sector is disappointed that trade-exposed industries like automotive manufacturing will not adequately be compensated for increased costs.

The treatment of air conditioning gases under the new carbon pricing regime also was of concern to FCAI. Throughout 2011 FCAI advocated that the Government should adopt an approach similar to the EU, which has set a target of 2017 to phase out the use of current air conditioning gases in preference for more environmentally friendly gases, without the imposition of a carbon price. Under the new carbon pricing regime, a cost of around \$17 would be imposed on all vehicles with air conditioning systems.

FCAI also worked during 2011 with the Minister for Infrastructure and Transport, Anthony Albanese, and his Department to develop a mandatory standard for motor vehicle CO<sub>2</sub> emissions. The industry is committed to reducing CO<sub>2</sub> emissions and has undertaken significant investment over many decades to improve the environmental performance of the passenger vehicle fleet. A copy of FCAI's submission to the Government on the proposed mandatory CO<sub>2</sub> emissions standard can be downloaded from the FCAI website at [www.fcai.com.au](http://www.fcai.com.au)

## Significant improvement in vehicle CO<sub>2</sub> emissions

Significant improvements in vehicle technology have resulted in new passenger vehicles in the Australian market recording their lowest ever carbon dioxide emissions. The National Average Carbon Emission (NACE) figure for 2011 is 206.6 grams of CO<sub>2</sub> per kilometre, down 2.8 per cent compared to the 2010 figure of 212.6 grams of CO<sub>2</sub>/km.

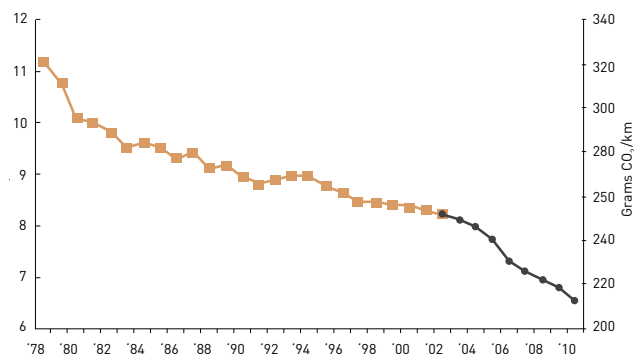
This means the average new passenger vehicle sold in Australia is now at least 20 per cent more efficient than it was in 2000. All new passenger cars, SUVs and light commercial utes, vans and buses (up to 3.5 tonne) are included in calculating the NACE figure, including many more vehicle types than CO<sub>2</sub> measures used in other parts of the world, including Europe.

This is one of the most significant yearly improvements in the NACE figure and demonstrates the industry's commitment to continue to improve fuel efficiency and reduce carbon dioxide emissions. The result is a combination of improvements in vehicle technology and a change in consumer buying preferences toward lower emission vehicles. There has been a strong uptake in new-generation diesel vehicles by consumers. In addition, ongoing efficiency improvements in average emissions from petrol powered vehicles by almost seven per cent indicates that consumers are continuing to purchase more efficient vehicles across the new vehicle fleet.

### CO<sub>2</sub> Emissions

Passenger vehicles responsible for 7.6% of Australian GHG emissions

CO<sub>2</sub> emissions down 20% since 2000



### Euro 5 and 6 emissions standards

In June FCAI joined the Minister for Infrastructure and Transport, Anthony Albanese, in announcing the proposed timetable for implementation of Euro 5 and 6 vehicle emissions standards. FCAI supported the proposal to require Euro 5 emissions standards for all new models of light vehicles (petrol and diesel) from 1 November 2012 and for all models from 1 November 2016. We saw this as a practical outcome, balancing the desire to see the Australian automotive

market continue to progressively take up leading international emissions standards, with the need to underpin key investment and model development options. An increasing number of models available in Australia are already certified to Euro 5 standards.

While the Government also announced its intention to apply Euro 6 emissions standards for new models from 1 July 2017 and for all models from 1 July 2018, this will be subject to finalisation of amendments to UNECE Reg 83.

### Vehicle safety

In February, ANCAP released its road map for 2011 to 2015, incorporating the introduction timing of pedestrian protection; whiplash and roof crush requirements; as well as the requirements for mandatory and additional safety assist features. While FCAI had some concerns about the lack of adequate lead time to implement the plan, we continued to work with ANCAP to conduct an annual review of the road map with a particular focus on the introduction timing of a roof crush rating and the number of safety technologies needed to achieve 4 and 5 star ratings in 2014, 2015, and 2016 to reduce the burden on industry to continue to introduce non-proven safety technology. The road map can be downloaded from the ANCAP website [www.ancap.com.au](http://www.ancap.com.au)

Consultation on the National Road Safety Strategy 2011-2020 (NRSS) concluded in February 2011 and the final strategy was released in May. The strategy contains 59 recommendations under five pillars – Safe Roads, Safe Speeds, Safe Vehicles, Safe People and Making it Happen. FCAI supported the development of a national comprehensive road safety strategy, and in particular the need for safety initiatives that focus on the road transport system. FCAI is a member of the Strategic Vehicle Standards and Environment Group, which oversees implementation of the recommendations relating to safer vehicles.

FCAI has provided funding support for a P-plate driver research project which was launched in October. The project focuses on behaviour, decision-making and risk-taking by young drivers and will involve up to 26,400 Victorian and around 1,600 NSW P-plate drivers over two years. The major evaluation will focus on any measurable effect on crash rates for the P-plate drivers that have been through the program.

The aim is to develop appropriate training to improve P-plate driver safety. More information is available from [www.pdriversproject.com.au](http://www.pdriversproject.com.au)

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## Australian Consumer Law

The Australian Consumer Law (ACL) came into effect on 1 January 2011 and applied to all relevant consumer transactions from that date. The new law posed a number of challenges for the automotive industry, including the introduction of a new 'consumer guarantee' to 'accept quality', which provides consumers with the right to seek a full refund in the event that a product is deemed to be 'a major failure'. Despite meetings with the relevant Parliamentary Secretary, David Bradbury, explaining unintended outcomes that will most likely arise from the legislation, limited progress has been made on the issue this year.

## Right to repair

FCAI, as well as individual member companies, made a detailed written submission to an Issues Paper released by the Commonwealth Consumer Affairs Advisory Council (CCAAC) on sharing of repair information in the automotive industry. CCAAC is exploring whether independent repairers should have the same level of access to repair information as the authorised dealer network. Negotiations on this matter will continue into 2012.

FCAI maintains on its website a comprehensive list of members' repair and technical information that is widely available to the repair industry. Visit [www.fcai.com.au](http://www.fcai.com.au)

## Fringe Benefits Tax

In this year's Federal Budget, the Government announced that the statutory formula for determining the taxable value of car fringe benefits would be replaced by a single rate of 20 per cent. The change is intended to remove an incentive for people to drive salary sacrificed and employer provided vehicles further to reduce their tax liability. The measure has an ongoing gain to revenue estimated to be \$970 million over the forward estimates. FCAI supported reform of the statutory formulas but questioned the level at which it was applied. We also suggested that the additional revenue raised by the new FBT rate could be applied to reduce or abolish the Luxury Car Tax.

## Luxury Car Tax

The Australian Government held a Tax Forum in October, at which FCAI was represented by the Chief Executive. FCAI's submission to the Forum, as well as the Chief Executive's remarks, focused on the Luxury Car Tax. The former Secretary to the Federal Treasury, Ken Henry, concurred saying that the LCT was a "truly absurd tax".

## 2011 Submissions and reports

- Feb** FCAI response to draft National Road Safety Strategy
- Jul** Budgetary assistance to the Australian automotive industry
- Aug** Australian Automotive Industry Report  
Potential impact of a carbon price on the Australian automotive industry
- Sep** Managing vehicle carbon emissions – options for development of a standard
- Oct** Code of practice for conduct of an automotive safety recall  
Submission to the Commonwealth Consumer Affairs Advisory Council on right to repair
- Dec** Light vehicle CO<sub>2</sub> emissions standards for Australia  
(Available to be downloaded from [www.fcai.com.au](http://www.fcai.com.au))

# MOTORCYCLE REPORT

## Two-wheeled vehicles

During 2011 FCAI focused on:

- rider safety, accident and injury prevention through the wearing of appropriate protective clothing
- engineering solutions available to two-wheeled vehicles (eg. ABS and Stability Control)
- rider training and licensing, including the benefits of uniform programs across Australia
- access to land for off-road riding
- achieving balance in the analysis of accident statistics and the depiction of motorcycles in the media.

## All-Terrain Vehicles (ATVs) and safety in the workplace

During 2011, ATVs in the workplace continued to be the subject of intense scrutiny. The Heads of Workplace Safety Authorities (HWSA) issued a series of recommendations following extensive consultation, most of which FCAI members agreed with. The exception was a recommendation that "ATV users consider the fitment of a Crush Protection Device (CPD) if, after undertaking a risk assessment, the possibility of a vehicle roll over was considered a reality."

FCAI members oppose the use of ROPS (rollover protection structures) and CPDs on ATVs. The industry's view is based on international research which found that all ROPS and CPDs examined in the studies posed an unacceptably high risk of creating new injuries. In addition, under some conditions of use or misuse, all ROPS and CPDs examined were found either to be ineffectual overall, or to increase the number and severity of injuries.

FCAI members believe that no single measure can provide ATV rider safety and that a combination of measures is required. These include the requirement that riders be suitably trained, approved helmets are worn, no passengers are allowed on single-passenger ATVs, and that children must not ride adult-sized ATVs.

This position is explained in detail in an Industry Position Paper which is available on the ATVSafety website ([www.atvsafety.com.au](http://www.atvsafety.com.au)) established in 2011 to counter false and misleading information regarding ROPS and CPDs on ATVs, and raise awareness of the industry's position.

In 2011 work also continued on the ATV Code of Practice, which is the first of several codes covering the ATV industry from dealers to employers, customers, manufacturers, OH&S, media, emergency services, advertising, and the sale of second hand units.

## ***We won't have a bar of it***

### Why FCAI does not support rollover protection devices on ATVs

Roll bars, crush protection devices and roll over protection systems when fitted to All Terrain Vehicles or quad bikes (ATVs) can cause more injuries than they prevent. That is why FCAI ATV members do not recommend that roll over protection structures (ROPS) or crush protection devices (CPDs) be fitted to ATVs.

We are opposed to the use of ROPS or CPDs on ATVs because of international research which found that all ROPS and CPDs examined at the time posed an unacceptably high risk of creating new injuries.

In addition, under some conditions of use or misuse, all ROPS and CPDs examined were found either to be ineffectual overall, or to increase the number and severity of injuries.

FCAI ATV members believe that no single measure can protect ATV rider safety and that a combination of measures is required. We use the ANSI safety standard which contains extensive safety provisions to provide riders with a safe vehicle. Riders also need to do their bit. They MUST:

- wear a helmet
- undertake training
- not ride an adult-sized ATV if they are under 16
- read the owner's manual and watch the safety video provided with the ATV
- not carry more than the approved number of passengers, and
- not use the ATV on terrain or in applications for which it is not suited.

***Read more about ATV safety by visiting [www.atvsafety.com.au](http://www.atvsafety.com.au)***

# AUDITOR'S REPORT



## **Independent auditor's report to the members of Federal Chamber of Automotive Industries**

### ***Report on the financial report***

We have audited the accompanying financial report of Federal Chamber of Automotive Industries (the company), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Federal Chamber of Automotive Industries (the consolidated entity). The consolidated entity comprises the entities it controlled at the year's end or from time to time during the financial year.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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*Auditor's opinion*

In our opinion the financial report of Federal Chamber of Automotive Industries is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

A handwritten signature in cursive script, appearing to read 'PricewaterhouseCoopers', written in black ink.

PricewaterhouseCoopers

A handwritten signature in cursive script, appearing to read 'David Murphy', written in black ink.

David Murphy  
Partner

Canberra  
13 April 2012



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Carbon price and CO<sub>2</sub> emissions  
Manufacturing policy  
Trade policy and agreements  
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P-plates and high power vehicles  
Motorcycle engineers

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