



Federation of Automotive
Products Manufacturers

ABN 67 008 411 452

Ref: po201011.doc

Monday, 18 August 2003

Acting Secretary Dr Sarah Bachelard
Senate Economics Legislation Committee
Parliament House
CANBERRA ACT 2615

By facsimile: (02) 6277 5719

Dear Dr Bachelard

I am writing in relation to the Committee's inquiry into the *ACIS Administration Bill 2003* and the *Customs Tariff Amendment (ACIS) Bill 2003*.

The Federation was closely involved in the 2002 Review of the Automotive Industry conducted on the Government's reference by the Productivity Commission and in the various consultative process which took place around that Review. The Federation supported the conclusions which the Government reached in deciding between the options presented in the Productivity Commission's final report.

The Government's decisions, announced by the Prime Minister on 13 December 2002 were warmly welcomed by the Federation. They are, we believe, now embodied in the Bills currently under consideration, which we accordingly support.

I have attached a draft of the statement that Mr Peter Upton plans to make to the committee this evening.

We appreciate the opportunity to assist the Committee in its deliberations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul A. James', written in a cursive style.

Paul A. James
Executive Officer

Attachment

**Appearance before the
Senate Economics Legislation Committee
Room 2S3
Parliament House Canberra
Monday, 18 August 2003 at 6:45 pm**

Introduction

My name is Peter Upton. I am the Chief Executive of the Federation of Automotive Products Manufacturers. I am accompanied by my colleague, Mr Paul James, Executive Officer of the Federation. We welcome this opportunity to comment on the two Bills being considered by the Committee.

Statement

The FAPM represents principally these companies (some 200) which manufacture components for sale to Australia's four vehicle manufacturers. That is, in the terms used in the ACIS Legislation itself, the Federation represents the Australian Component Producers (ACPs).

Federation members turn over \$7 billion a year, employ 30,000 people directly, and directly export \$2 billion worth of components a year (that is, exports not embedded in an exported vehicle) contributing to an industry total of car and component exports exceeding \$5 billion a year.

Industry exports are continuing to grow strongly, and the industry is aiming for a total of \$10 billion in exports by 2010.

The Federation was closely involved in the 2002 Review of the Automotive Industry conducted on the Government's reference by the Productivity Commission and in the various consultative process which took place around that Review. The Federation supported the conclusions which the Government reached in deciding between the options presented in the Productivity Commission's final report.

The Government's decisions, announced by the Prime Minister on 13 December 2002 were warmly welcomed by the Federation. They are, we believe, now embodied in the Bills currently under consideration, which we accordingly support.

It is noteworthy that the Government's decisions and announcements also embraced features which were themselves agreed by FAPM and other industry participants. Indeed, the processes undertaken throughout the 2002 Review were marked by a high degree of consultation and agreement between all stakeholders of the industry, about the needs of the industry and the appropriate Government policy settings going forward.

The Federation has been consulted about the proposed legislation, and supports it.

With those brief introductory remarks, I welcome any questions which honourable members of the Committee may have of us.