

17 July 2013**CHANGES TO FBT WILL CRIPPLE CAR INDUSTRY, AUTO
MANUFACTURING: FAPM**

A PEAK car industry body is demanding the Government urgently reconsider proposed changes to the vehicle FBT tax, warning they will cripple the automotive industry.

The Federation of Automotive Products Manufacturers (FAPM) says the proposed changes - to remove FBT concessions on salary sacrificed and company cars – would have a severe affect across the industry and seriously impact sales of locally made cars.

“Without doubt changes to the statutory formula will affect sales of locally made cars,” said FAPM Chief Executive Officer Richard Reilly.

“About one in every three cars made here are subject to FBT. Changing this formula will have a disastrous flow-on effect to the automotive component sector, which is already suffering from historically low manufacturing volumes.”

As part of its ‘Plan for the Future’ campaign, the FAPM proposes extending the FBT exemption to vehicles with hybrid technology or which contain factory fitted LPG systems.

Mr Reilly added: “Policy changes being devised should focus on improving the local manufacturing industry. There should be an FBT exemption for locally made cars.

“Currently FBT can’t be claimed for commercial vehicles. We say this discourages the purchase of locally made cars and should be removed. It is imperative we retain automotive manufacturing in this country.”

The FAPM estimates 300,000 jobs are at stake in automotive manufacturing and ancillary industries over the next five years. It says for every direct job in car manufacturing there are up to 6 other positions created in associated industries.”

Richard Reilly is available for interview on (03) 9863 2400 / 0414 292 470

To view FAPM video on automotive crisis please click on link below

<http://fapm.publish.viostream.com/fapm?v=xhwne9o8j5k8>