

MEDIA RELEASE



**FEDERAL CHAMBER
OF AUTOMOTIVE
INDUSTRIES**

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LUXURY CAR TAX LEGISLATION IS DEEPLY FLAWED

The peak body representing the Australian car industry, the Federal Chamber of Automotive Industries (FCAI), says the legislation agreed to by the Senate, imposing an increase in the luxury car tax is deeply flawed.

“This tax hike was always bad policy and the various conflicting amendments passed by the Senate have only deepened the flaws in the legislation,” FCAI Chief Executive Andrew McKellar said.

“The industry is disappointed the Federal Government has pursued political expediency and sacrificed principles of good policy formulation in order to achieve a short-term tax grab,” he said.

“We are concerned with the lack of consultation and particularly disappointed with the apparent disregard the Government has shown towards the Australian automotive industry on this matter,” Mr McKellar said.

“It was particularly unedifying to observe some senators from Victoria and South Australia supporting legislation that will hurt the car industry; an industry that makes such an important contribution to the economies of their home states,” he said.

“The Senate process has raised serious concerns about the entire structure and impact of the luxury car tax and it is now essential that it be comprehensively reconsidered in the forthcoming tax review, to be conducted by Treasury Secretary Ken Henry,” Mr McKellar said.

“The car industry remains firmly resolved to seek the abolition of this unnecessary and discriminatory tax,” he said.

“This tax hike has already adversely affected the car industry but we must now look to rebuild confidence in the market,” he said.

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