# MEDIA RELEASE

## * WEDNESDAY, 3rd AUGUST 2011

AME Systems at Ararat today hosted a visit from local Federal Member for Wannon Mr Dan Tehan and Shadow Minister for Innovation, Industry and Science Ms Sophie Mirabella.

Welcoming Mr Tehan and Shadow Minister Mirabella to AME Systems, Chairman and Managing Director Mr Peter Carthew said that he was very pleased to welcome them to the AME System - Ararat plant. "It is very important that local member Dan Tehan and Shadow Minister Mirabella see first hand the challenges facing our business, and manufacturing industry in general, particularly regionally based industry in Victoria" he said. "We are very proud to have been in business as a major employer in this community for nearly thirty years now, and we take our responsibilities to this community, and to our industry and markets very seriously" he added.

Mr Carthew said that like most businesses, AME Systems was dealing with very difficult domestic and international trading conditions. "The impact of the high Australian dollar makes it very, very difficult for us to continue to successfully compete in export markets, and the challenge from low cost, and generally poorer design and quality imports is an ever increasing threat to our business" he said. "Nevertheless, we have managed by sheer innovation and hard work to contain these pressures and we remain committed to a long term presence in manufacturing in the industry which we service, and in regional Victoria, and particularly in the Ararat region" he said.

Commenting on the prospective impact of the carbon tax on AME Systems business, Mr Carthew said that this was just the latest in a string of costs and charges which makes doing business increasingly difficult. "The Carbon Tax is the sort of charge against our business which we cannot recover from an already highly price competitive market place, and in an already tight margin business we are squeezed just that much more" he said. "Our advisers have calculated that the cost of the carbon tax to our business in the first year will be upwards of the equivalent cost of employing one additional person in the business" he said.

Mr Carthew said that AME Systems regarded it's responsibility to the social and physical environment extremely highly, but questioned any direct value that the AME Systems business would receive from the carbon tax. "In many instances, we can and do engineer productivity improvements which will counter the impost of rising costs and taxes, but in this instance, we just can't compensate for this tax in our business" he said.

Mr Carthew called on Mr Tehan and Ms Mirabella to use their position and voices in the Parliament to advocate a better outcome not only for AME Systems, but for manufacturing and regional industry throughout Australia.

**MEDIA CONTACT**: JOHN GAULT, AME SYSTEMS DIRECTOR (Mobile: 0407 349 659)

### ABOUT AME SYSTEMS:

*AME Systems Pty Ltd is a privately owned proprietary limited company situated at Ararat, Western Victoria, and is a "Tier 1" supplier to the heavy automotive and automotive related industry (trucks, off-road equipment, heavy mining equipment etc). Principal products are wiring harnesses which control on-board signal and vehicle management systems on the equipment in which they are installed. AME Systems has been established for over 30 years, and has operated from Ararat for practically the entire company life. It also has a customer servicing facility based at Kilsyth, near to a number of its major customers. The company employs approximately 300 personnel. Current turnover is in excess of A$30 million. The business is both labour and components intensive, but possesses well established capabilities to meet exceedingly high technical, quality, JIT supply, performance and product reliability demands.*

### * Mr Peter Carthew is the AME Systems Board Chairman and Managing Director