



MINUTES

Annual General Meeting Gold Coast Tuesday 22nd August 2018

Attendance

Phil Taylor, President	Isuzu
Mike Fowler Vice President	Cummins
Steve Lotter	Hino
Bill Gillespie	Hino
Randall Seymore	Penske CV
Kevin Dennis	Penske CV
Sean McLean	Penske Power Systems
Bruce Healy	IVECO
Stephen Downes	Daimler
Tony McMullan	TIC
Mark Hammond	TIC
Chris Loose	TIC

Apologies

Mikael Jansson	Scania
Andrew Hadjikakou	PACCAR
Hiroko Yaguchi san	Isuzu
Andrew Harbison	Isuzu
Peter Voorhoeve (Vice President)	VGA
Paul Illmer	VGA
Daniel Whitehead	Daimler
Richard Eyre	Daimler
Robert Cavagnino	Allison
Adrian Wright	Navistar

Item 1 Welcome

President Phil Taylor (Isuzu) opened the meeting at 9.00 am welcoming all members to the Annual General Meeting.

The President called for apologies which are noted on page 1.

Item 2 Minutes of the Previous Meeting

The draft Minutes of the March Council meeting were presented to the meeting.

It was moved by Michael Fowler (Cummins), seconded Sean McLean (Penske PS) and passed by all present that the minutes of the meeting held on the 14th March 2018 as presented be recorded as a true and accurate record of that meeting.

Business Arising.

Tony McMullan (TIC CEO) brought to the attention of Council two matters pertaining to the minutes of the March meeting.

Council was advised that with regard to Item Three of the March minutes “Future Truck Shows – Key Success Criteria” Daimler Truck and Bus have asked that the minutes reflect the long held and previously stated TIC position that individual TIC members have the choice to attend whatever truck show they choose or not attend any truck show as the case may be.

It was moved by Michel Fowler (Cummins), seconded Steve Lotter (Hino), that an amendment to the minutes be made, passed by all present.

With regard to Item 7 National Truck Plan 2018, Council noted that correspondence was received from a member, who was not present at the meeting but who received a copy of the draft minutes for comment, expressing concern about the contents of a passage in the minutes. The nature of the concern was of an anticompetitive nature suggesting that each member should obtain its own independent legal advice. Having regard to the draft minutes TIC sought its own legal advice on the issue and advice received was that in relation to that passage there is no exposure to any competition laws. In the interests of commercial confidence TIC has chosen not to disclose the letter or legal advice.

There was no further specific Business Arising from the March Minutes. Matters raised in the minutes would be addressed in the normal course of the August meeting agenda.

Item 3 President’s Report

President Phil Taylor spoke to his Annual Report.

Mr Taylor advised Council that he would not be seeking re-election as President this year.

The President sought Council’s endorsement of the Annual Report which was subsequently passed by all present.

Item 4 TIC Operational Report

The TIC Operational Report for the financial year 2017/18 was presented by both the CEO and CTO. The report detailed the key projects, briefings, submissions, presentations, and the current and emerging policy and technical matters promoted by TIC management over the last twelve months. A copy of the report will be posted to the TIC website in the members' area.

President Phil Taylor spoke to the item pertaining to Truck Shows as presented in the Operational Report noting that discussions between HVIA and TIC had resulted in truck manufacturers being offered:

- Improved coordination and communication with the establishment of an Exhibitors marketing committee. However to date no meeting has taken place despite assurances from HVIA a late June meeting would be convened.
- Access to data base of attendees would be granted but no advancement of this proposal had occurred as it was subject to the convening of the Exhibitors marketing committee meeting.
- TIC's logo would be included on the Brisbane Truck Show website and appropriate promotional material however TIC management identified an email notification to potential exhibitors that did not carry the TIC logo.
- A TIC Conference to promote the National Truck Plan however post this commitment by HVIA it was ascertained that HVIA had initiated negotiations with another party NATROADS to hold an operator conference on the same day as the TIC conference.
- No profit sharing arrangement despite truck manufacturers being the major exhibitor to the show.

Given the above President Phil Taylor moved the following resolution.

TIC to investigate conducting a Truck Show and Truck Technology Symposium in 2021 and call for expressions of interest from suitably qualified event managers for an event to be held at a venue and time to be determined.

The resolution was seconded by Kevin Dennis (Penske Commercial Vehicles).

The President sought comment from members.

CEO Tony McMullan reminded Council members of the long held TIC position that individual TIC Members could choose whichever truck show they wish to participate in or not participate in as the case may be and that this resolution was not suggesting an approach contrary to this position.

Randal Seymore (Penske Commercial Vehicles) asked Council to agree with the resolution stating that truck manufacturers should conduct their own truck show.

Bill Gillespie (Hino) suggested that truck manufacturers conduct their own media tour at the beginning of the 2019 Brisbane Truck Show.

Michael Fowler (Cummins) agreed with the resolution as put but suggested that before taking this course of action TIC Management should draft a letter to HVIA under the signature of

the President and TIC Directors detailing truck manufacturers' dissatisfaction with the progress of negotiations as outlined in the operational report and seeking a HVIA response by the close of business 30th September.

Council members agreed to the letter being sent to HVIA.

The President thanked members for their comments and asked that his resolution be put to the vote.

Council members approved, that upon consideration of the HVIA response, the resolution as stated be implemented.

Council further agreed that Bill Gillespie (Hino) be appointment to the TIC Show Committee to replace Peter Voorheove (VGA).

Item 5 Financial Report - Accounts for 2014/15

The financial report was tabled.

Tony McMullan (TIC CEO) spoke to the accounts noting that the financial report for year 2017/18 has been reviewed by the Auditor who has stated that based upon his review he has not become aware of any matters which would preclude him from stating that the financial report gives a true and fair representation of the company's financial position as at 30th June 2018 (refer to page 19 Auditor's Statement).

Council was made aware that due to an ASIC rule change that allows organisations like TIC with revenue under \$1m the option to conduct a review as opposed to an audit for compliance purposes TIC management has chosen to conduct this cheaper review option as opposed to a full audit.

Key Points were: Income \$895,099; Expenses \$893,837; Operating profit of \$1,262 (Refer Page 6 Profit and Loss Statement).

Council noted TIC assets at the end of the financial year were \$930,596, liabilities were \$303,632 resulting in an equity position of \$626,964. Assets are held in cash. (Refer Page 7 Statement of Financial Position)

Tony McMullan (CEO) moved that the accounts be accepted for the year ending 30th June 2018, Seconded Steve Lotter passed by all present.

Council agreed that the accounts should be signed by Directors. Moved Bill Gillespie Seconded Phil Taylor Passed by all present.

Item 6 Election of Office Bearers

CEO Tony McMullan declared all positions vacant and called for nominations for the positions of President and two (2) Vice Presidents.

On behalf of TIC Tony McMullan noted that President Phil Taylor was standing down from the position and thanked him for his many years of service as TIC President.

CEO Tony McMullan made Council aware that he had received by email a nomination for President from Mr Hajikakou (PACCAR). Mr Hajikakou being unable to attend the meeting in person. Mr Hajikakou had favoured Mr McMullan with his proxy vote to be used for the purpose of voting for President.

- Nominations were called for the position of President.
- Andrew Hadjidakou (PACCAR) was nominated for President by Steve Lotter (Hino) seconded Sean McLean (Penske PS).
- Michael Fowler (Cummins) was nominated for President by Bruce Healy (Iveco), seconded Bill Gillespie (Hino).
 - Andrew Hadjidakou (PACCAR) was duly elected.
- Nominations were called for the two positions of Vice President.
- Michael Fowler (Cummins) nominated by Phil Taylor (Isuzu), seconded Kevin Dennis (Penske CV)
- Kevin Dennis (Penske CV) nominated by Michael Fowler (Cummins), seconded Phil Taylor (Isuzu)
 - Messrs Fowler and Dennis were duly elected

Item 7 Strategic Issues (Financial)

A) Budget 2018/19

CEO Tony McMullan advised Council that it is proposed to increase the base membership fee by two (2) percent in line with CPI.

This means an increase for a truck manufacturer of \$800 for the year taking the base membership fee to \$40,800 (from \$40,000). For Associate members an increase of \$617 (being 2% of \$28,583 - \$572.66 - plus roundup of \$45.34)

Income from membership fees therefore will increase by \$43,738 compared to last year. This increase includes the additional fee from Allison \$29,200 who are now an associate member and a reduction of \$3,697 for fees from Navistar who wish to continue membership as an associate member. The balance (\$18,235 is the 2 percent increase).

Council was further advised that there will be no increase in brand fee and the volumetric fee will increase or decrease in line with sales volume averaged over three years.

TIC management proposed that there will be no increase in T-Mark fees.

Income from T-Mark is projected to decrease by approximately \$8,500 due to Navistar and Palfinger no longer requiring sales data and Allison and Barker Trailers now requiring data.

Interest is projected to be \$15,000.

Total income budgeted for is \$902,123.

Projected expenses are consistent with expenses for the 2017/18 financial year.

CEO advised Council that a provision (\$3,630) was made for Bad Debts in 2017/18 as Palfinger, a long standing subscriber was invoiced and subsequently advised TIC management that they no longer needed the data.

Tony McMullan (CEO) moved that membership fees be increased by two (2) percent as detailed above to support the 2018/19 budget. Seconded by Stephen Downes (Daimler) and passed by all.

Tony McMullan (CEO) moved that the budget be accepted for the year ending 30th June 2019. Seconded by Kevin Dennis and passed by all.

Item 7 Strategic Issues (Policy)

B) National Truck Plan Update

Council was made aware of the feedback received from a member with regard to the presentation of the National Truck Plan.

The suggestions were accommodated in the revised version of the plan, and included strengthening the role played by both domestic based manufacturers and importers of trucks in Australia; the inclusion of a signed letter of introduction as a from of Executive Summary instead of, as originally planned, a conclusion. The letter details the intent of the plan and calls upon Government to provide a policy and regulatory response. The section on “*Policy Options to Incentivise the Modernisation of the Australian Truck Fleet*” be brought to the front of the document instead of on the last page.

C) ADR 80/04 (Euro 6 and equivalents) Implementation

TIC CTO Mark Hammond advised Council that unsuitable Australian petrol fuel standards will lead to a delay in the introduction date of Light Vehicle Euro 6 emission standards. The current Australian Diesel fuel standard is not an issue for Heavy Vehicle ADR80/04 if Euro VI Step A or B is used as the “base” standard, however some FCAI and TIC (to be confirmed) members potentially have an issue with current Australian Diesel fuel for compliance if Euro VI Step C is to be the “base” standard. Local fuel refineries claim that they will be unable to supply Euro 6 suitable petrol until beyond 2025.

TIC has suggested that the introduction of Euro 6 (Light Vehicles) and ADR80/04 be split between Light Vehicles (both Diesel and Petrol) and Heavy Vehicles (Diesel only). The Department of Transport (DIRDC) also confirmed to the TIC CTO in August 2017 that the decision to split the introduction of Euro 6 (Light Vehicles) and ADR80/04 (Heavy Vehicles) rests with Minister Paul Fletcher, who appears not of the mind to separate the two regulations. Council members were advised that this is the first time Heavy Vehicle and Light Vehicle emission introduction timings have been aligned in Australia, that is this co-introduction of Euro 6 and ADR80/04 would be a first. CTO stated this action by government was delaying the benefits of ADR80/04 (Euro VI and equivalents) for Australian communities.

The Department (DIRDC) recently released its findings and action plan following consideration of submissions received for the Fuel Quality RIS. Measures of note included:

- Implementing an industry supported voluntary monitoring plan for all grades of Petrol wholesaled in Australia 2019 to 2022 inclusive; and
- Reviewing the results of the voluntary monitoring plan. Develop a RIS for the upgrading of Australian petrol fuel standards in 2023, including a public consultation stage. Develop and approve new fuel standards by late 2023 allowing a 3 year introduction timeframe to allow local refineries to upgrade their facilities and infrastructure.

This would ensure Australia has suitable Euro 6 fuel by 1st January 2027 (in theory) allowing for the introduction of Euro 6 (Light Vehicles) and ADR80/04 (Trucks and Busses) starting from 2027.

TIC and the Federal Chamber of Automotive Industries (FCAI – peak industry body for car manufacturers) believe that maintaining a common timeline for the introduction of Light and Heavy Vehicle Euro 6 and ADR80/04 is unrealistic. The FCAI have been discussing a proposal with their members that would see an FCAI push for Light and Heavy Vehicle Euro 6 and ADR80/04 being split, with:

Heavy Vehicle ADR80/04 (Euro VI Step “B” [NOT Step “C”] and equivalents) introduction starting from November 2022 for NEW models. Further, TIC is suggesting an ALL model date of 1st January 2025.

CTO put this proposal to members for their consideration.

After discussion two resolutions were passed by members.

Phil Taylor (Isuzu) moved that TIC agree the legislation should be split between Light and Heavy Vehicles as has always been the case in the past consideration by Government of emissions standards. Seconded Kevin Dennis, all in favour, passed.

Phil Taylor (Isuzu) moved that the timeline as suggested by the CTO be reduced by one (1) year meaning that:

Heavy Vehicle ADR80/04 (Euro VI Step “B” [NOT Step “C”] and equivalents) introduction start from November 2021 for NEW models, and for ALL model date from 1st January 2024. Seconded by Kevin Dennis, all in favor, passed.

However upon discussion Michael Fowler (Cummins) suggested that TIC position should be for Euro VI Step “C” [NOT Step “B”], citing the case that Step “C” was the current standard applied in Europe and that by 2021 “Step C” would be 5 years old, still putting Australia well behind the rest of the developed world with regard to vehicle emission standards.

TIC CTO replied that some FCAI members who were using Light Vehicle (car) engines in their NB1/NB2 vans and trucks objected to the move to Step “C” in Australia until the Australian Diesel Fuel Standard was improved and aligned with the European Diesel Fuel

Standard, citing in-service operational reasons. TIC CTO suggested that the compromise position that TIC could pursue was Euro VI Step “B” for NB1 and NB2 category vehicles and Euro VI Step “C” for NC category vehicles.

This position was supported by the Council as TIC’s preferred position.

D) ANCAP Heavy Vehicle Testing Proposal

Discussion on this item was deferred to the next Council meeting.

Item 8 Operational Issues

A) Report on current technical issues

Discussion on this item was deferred to the next Council meeting. Council Members were made aware that the technical issues were addressed at the CTO meeting held in the lead up to the CEOs meeting.

B) T-Mark Report

Discussion on this item was deferred to the next Council meeting.

Item 9 General Business

There was no general business raised by Council Members.

Item 10 Close of Meeting

Chairman Phil Taylor declared the meeting closed at 2.45pm.

The next Council meeting is scheduled for Thursday 29th November at Parliament House Canberra from 9am until 3pm. There will be a TIC Dinner Wednesday 28th November at the National Press Club with Guest Speaker the Hon Anthony Albanese the Shadow Minister for Transport.

END.