



# Australian Automotive Dealer Association Ltd.

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The Sir Jack Brabham Automotive Centre of Excellence

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Dear Sir/Madam

## AUSTRALIAN AUTOMOTIVE DEALER ASSOCIATION LIMITED (AADA) INQUIRY INTO FUTURE OF AUSTRALIA'S AUTOMOTIVE INDUSTRY

I write on behalf of the franchised new car dealers in Australia concerning the future of Australia's automotive industry. In particular, we note that on 25 November 2014 the Senate referred an inquiry into the future of Australia's automotive industry to the Senate's Economics References Committee for inquiry and report by the first sitting day in November 2015. The terms of reference of the inquiry are very broad and extend to all aspects of the automotive value chain including motor vehicle distributors and dealers.

The Senate inquiry is being conducted against the background of a number of reviews in which AADA has made submissions including the Productivity Commission Review of Australia's Automotive Manufacturing Industry, Harper Competition Policy Review, Review of *Franchising Code of Conduct* (Franchising Code), Agreement on Access to Service and Repair Information for Motor Vehicles, and Review of *Motor Vehicle Standards Act 1989*.

AADA is the peak industry body representing franchised new car dealers in Australia. There are over 1500 new car dealers in Australia that operate something in the order of 2600 new vehicle outlets. Motor vehicle dealership agreements which number in excess of 4000 are subject to the Franchising Code which regulates the conduct of the participants. Dealerships range from family-owned small businesses to larger businesses and two public companies operating in the regions, metropolitan areas and across the States and Territories. The authorised dealer network generates revenue in excess of \$72 billion, pays wages in excess of \$5.6 billion annually, employs in excess of 66,000 people and has invested around \$17 billion in facilities.

AADA would be pleased to provide assistance to the Committee concerning the operation and sustainability of franchised new car dealerships in Australia.

Yours faithfully,

Patrick Tessier  
Chief Executive Officer