



Australian Automotive Dealer Association Ltd.

ACN: 167 598 085

The Sir Jack Brabham Automotive Centre of Excellence

8/2728 Logan Road, Eight Mile Plains, Brisbane Queensland 4113

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CEO - Patrick Tessier
P.O. Box 4072, McKinnon Victoria 3204
+61 3 9576 9944
0412 685 857
ptessier@aada.asn.au

Strategic Operations Director
Steve Ghost
0411 246 315
sgghost@aada.asn.au

Policy Director
Michael Deed
07 3237 8711
mdeed@aada.asn.au

Directors

Chairman & QLD - Ian Field
0419 729 763
ifield@aada.asn.au

NSW - Terry Keating
0418 668 277
terry.keating@jfossey.com.au

VIC - Leigh Smith
0411 266 977
leighsmith@gws.com.au

SA - Hillar Puvli
0418 803 691
hpuvli@formulamg.com.au

TAS - Marcus Birrell
0407 872 052
marcusbb@motors.com.au

ACT - Richard Rolfe OAM
0411 189 714
richard.rolfe@audicc.com.au

NT - Dave Russell
0417 926 337
daver@bridgetoyota.com.au

Appointed - Martin Ward
0418 855 455
mward@apeagers.com.au

Appointed - Geoff Pickering
0417 197 655
geoff@pickerings.com.au

Appointed - Mike Claridge
0402 131 660
mclaridge@claridgeholden.com.au

Appointed - Paul Warren
0418 233 332
paul.warren@peterwarren.com.au

Appointed - Anthony Altomonte
02 9418 5588
aaltomonte@alto.com.au

Appointed - Lou DiVirgilio
0417 755 200
lou.divirgilio@dvg.com.au

Appointed - Chad Davies
0418 420 789
cdavies@nsw.ahg.com.au

Legal Advisers - HWL Ebsworth
estents@hwle.com.au

Business Advisers - BDO Australia
mark.ward@bdo.com.au

Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Email: economics.sen@aph.gov.au

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