



INTRODUCTION

This submission is made by Tomcar Australia Pty. Ltd. ("TCA"), an Australian-owned vehicle manufacturer based in Melbourne, Victoria. TCA produces a range of vehicles known as the 'Tomcar' with its strategic local manufacturing partner, MTM Pty. Ltd., a Tier 1 automotive components manufacturer.

We believe the world has moved into an era of designing and managing the factors of production, rather than being them. This is one reason why we outsource our production.

TCA began manufacturing vehicles in Melbourne in late-2011.

We welcome the decisions by the Senate to refer an investigation into the future of Australia's automotive industry to the Senate Economics References Committee for enquiry and report. We have previously provided a formal submission to the 2013 Productivity Commission Inquiry into the Automotive Industry and is a matter of public record. Since the Commission in 2013, all three international OEMs (Ford, GM (Holden, and Toyota) have decided to leave.



WHO IS TOMCAR AUSTRALIA?

TCA is an *100% Australian-owned private company* and all IP created by TCA remains and is controlled in Australia - not in Detroit or Tokyo.

For the past ten years TCA has been hard at work in setting up Tomcar as the first locally made car manufacturer in over thirty years.

Our goal is to create a next generation car company with a truly sustainable business model. *However we face many challenges.*

Watch our latest video here: <http://youtu.be/qnUd1IWW-CA>

WHAT IS A TOMCAR?

The Tomcar is a truly innovative all-terrain vehicle. The Tomcar's simple and robust design is a product of years of global market research, rigorous product development and continuous feedback from military field-testing.

Designed and produced for the gruelling demands of various military applications, the Tomcar easily negotiates extreme off-road terrain comfortably, safely, at speed, with the addition of a heavy payload capacity. The Tomcar itself is a remarkable feat of modern engineering and geometric balance. All the mechanics and electronics are elegantly simple, not only allowing easy part replacement but also providing an excellent platform for almost infinite customization.

The Tomcar simply can go where other cars cannot. Our world leading design gives us a local car which is specifically suited to a number of overlapping domestic Australian niche markets. These include; Rural, Mining, Military and Emergency Services applications.

The Tomcar is a much safer substitute for 4 wheeled motorbikes ("**ATVs**"), given it's size and versatility. Recent independent safety testing by the University of Sydney of ATVs being sold in Australia had Tomcar as the clear winner. There is now a safe all-terrain vehicle being manufactured in Australia which will save lives and reduce injury and deaths on Australian properties.

Currently the car does not have Australian Design Rules (ADR) certification for on road use, but it is our full intention to go through this process.

TCA knows that Australia is not benefitting enough throughout the mining supply chain. Government needs to be more aware about the potential for things beyond mining jobs and selling the stuff that comes out of the ground. Most infrastructure & hardware requirements currently come from overseas (including vehicles). It is one of the greatest lost revenue opportunities in this country today. This is why *TCA have developed a Mine Specific Light Vehicle ("LV") - made in Australia for Australian mines*. This as a large growth area for us.

WHY WE ARE A DIFFERENT KIND OF AUTOMOTIVE COMPANY

We are reinventing the way cars are sold in Australia. We don't want to have traditional dealers with millions of dollars worth of wasted cars on corners of busy roads. We'd rather sell via a distribution system which is in line with wider internet retail trends. So *we sell vehicles and parts direct to our customers through the internet*.

We also appoint direct sales representatives clustered around Australia - these are brand patrons helping people who seek them out - TCA has a 'demand pull', rather than a 'retail push' distribution model.

Most people think only tech companies can have less than 10 employees. We've proven that it is an 'attitude', not an industry type that allows a 'lean' approach. We've taken a tech startup approach into the auto sector.

There is a certain art to limiting what you make, so you ensure you make the best. We are ruthlessly focused on delivering the best off-road vehicle in our chosen segments of defence, agriculture, mining and emergency services. This ensures we are truly fit for purpose. We find that it is what you actually leave out that makes the best design. We ensure we never suffer from 'feature creep'. The Tomcar is a perfect expression of Function over Form.

Our aim at TCA is to purely focus on R&D, design and marketing, rather than owning and controlling an inflexible end-to-end supply chain. It is our belief that global supply chains are being split irrevocably by the digital era. This is creating a permanent disintermediation between manufacturing and the selling of vehicles. In fact, this is true for all manufactured goods.

This has already been embraced to financial advantage by technology companies the world over, who now focus on design, and outsource manufacturing to 3rd parties. While we are taking on the same method, it is our intention to leverage the existing 1st tier auto infrastructure we are blessed with in the Australian market. This approach will assist in maintaining the viability of the wider auto industry. This is why we outsource the manufacturing of the Tomcar vehicles to MTM, our strategic manufacturing partner here in Australia. We represent the next generation of auto marketing, as has been evidenced globally in adjacent industries.

TCA has the capability to change the design as to what suits the market environment;; we are in control of our own destiny. Unlike all the car companies who are all foreign owned, TCA's small management team and all our decision makers are based in Australia. So, decisions on the future of our local vehicle manufacturing will not be affected by overseas interests.

Because all of our vehicles are hand-made, the more we make, the more Australian people we employ - not robots.

CHALLENGES FACING TOMCAR AUSTRALIA

As a new vehicle startup company we have had many challenges and to date have had no financial assistance from the government.

TCA faces an incredible amount of bureaucracy and legislation trying to get our vehicles compliant for general road use. Sincere government help in this area is severely lacking. The current ADR scheme is expensive and limited to vehicle manufacturers who can afford to carry the testing and crash tests on their vehicles.

It seems unfair that the governments seem to ignore the 'startup' vehicle community and fail to support the automotive ecosystem as a whole.

Lack of Government support given we don't currently own our supply chain. Even though we are the catalyst behind building a multi-corporate beneficiary structure, it largely goes ignored and unsupported. Because of TCA's innovative business model we have been unsuccessful in securing government funding.

In fact we have had zero funding from government outside the traditional R&D tax incentive system.

Over time, the continued narrowing of automotive industry policy has cost the Australian community. The cost is the missed opportunities to build upon the breadth and complexity of automotive production: agriculture, mining vehicles, truck, bus, recreational vehicles, motorised personal vehicles, aftermarket, parts and accessories, performance enhancement, performance modification, aftermarket safety components, 4WD components and special purpose vehicles.

WHAT WE'D LIKE TO SEE CHANGED

~ The government needs to find a way to support new automotive startup companies that are based upon different business models. All governmental policy needs an understanding of the economic benefits a horizontal supply chain structure of players within the auto sector. This includes taking seriously smaller start-ups - who are in fact the future of the domestic car-industry (like Tomcar). The ATS scheme needs to be widened to include companies such as Tomcar Australia.

~ Government related businesses must support the automotive industry by purchasing locally produced vehicles.

~ Awareness and financial recognition of tier 1 auto players' aggregated financial impact as supply chain partners (e.g. MTM & Tomcar). This will allow companies like TCA to apply for government funding - *under the current scheme TCA is ineligible*, because we outsource the production of the vehicles to a 3rd party.

~ Tariffs should be standardised across the board for all imported vehicles. Policy makers are sending mixed signal with what vehicles receive tariffs. Some are at 5% and some are not.

~ Future policies should ensure that government acknowledges other small niche manufacturers apart from the 'big 3' - and targets funding accordingly.

~ We need to create and nurture a new-age automotive 'ecosystem' where smaller local car-manufacturers get a chance to grow, utilising the current world-class domestic automotive supplier network.

CONTACT DETAILS

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