



AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION



NALSIPA

10 March 2020

The Hon Josh Frydenberg MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Email: invitations@treasury.gov.au

Dear Treasurer,

We write to you today to convey the deep concern that we, and the members of all our organisations, have regarding the effect of COVID-19 on the Automotive industry in Australia.

Our industry is currently suffering a prolonged downturn that already far exceeds that seen during the 2007-08 Global Financial Crisis. We fear what the effect of pandemic mitigation measures will further erode sales in the automotive industry which has already suffered 23 months of contraction and is thus in a deep and sustained recession.

The 2019 calendar year saw new car sales down 7.8 percent, the largest annual reduction in sales since recordkeeping started nearly 30 years ago. The current downturn largely caused by a tight credit market and low consumer confidence, will likely be compounded by COVID-19 and the policy measures required to mitigate the pandemic.

The Australian motor vehicle industry represents a substantial segment of the Australian economy and as such it is vital that we ensure its continued health during a time of vulnerability and weakened consumer confidence. We would strongly urge your Government to move fast to stimulate the sale of new cars which, aside from the demonstrable economic benefits, bring societal benefits as they are safer, cleaner and more efficient than the older cars they replace.



NALSPA

We would request that, in working out measures to keep the broader economy working, you consider the following options for stimulus:

1. Rebates for the purchase of new cars.
2. Tax relief for new car buyers (GST, import tariffs, Luxury Car Tax).
3. Investment incentives for businesses buying new cars.

Consequently, we would like to request a meeting with you and your staff to discuss these matters. We look forward to working with both your office and your department to ensure the fairest and most effective outcomes for our members and the communities that they support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'James Voortman'.

James Voortman
Chief Executive Officer
Australian Automotive
Dealer Association

A handwritten signature in black ink, appearing to read 'Tony Weber'.

Tony Weber
Chief Executive Officer
Federal Chamber of
Automotive Industries

A handwritten signature in black ink, appearing to read 'Rob Bazzani'.

Rob Bazzani
Chairman
National Automotive
Leasing and Salary
Packaging Association