



NALSPA

13 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 thank you and the Government for the recently announced economic response to COVID-19 and also to convey the deep concern that we, and the members of all our organisations, have regarding the effect of the pandemic 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 that 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 per cent, the largest annual reduction in sales since record keeping 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 economic responses required to mitigate the effects of 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 closely monitor the sales figures for new vehicles over the next few months to gauge the impact of your economic response on the automotive retail industry.

We, as representatives of the industry in Australia will be engaging closely with all State governments, particularly your counterparts, to encourage them to do what they can to stimulate the economy during this time.

Finally, we stand ready to work with you, your office and your department to ensure the fairest and most effective outcomes for our members and the communities that they support.

Yours sincerely,

James Voortman
Chief Executive Officer
Australian Automotive Dealer
Association

Tony Weber
Chief Executive Officer
Federal Chamber of
Automotive Industries

Rob Bazzani
Chairman
National Automotive Leasing
and Salary Packaging
Association