

Dear Members

Please see an open letter published in today's Australian Financial Review from VACC CEO, Geoff Gwilym to Australian Treasurer Josh Frydenberg regarding the state of the current new car, motorcycle, commercial vehicle and farm machinery market and the impact of over regulation on a market already in distress.

The purpose of the letter is to put the case for dealers not to be subjected to a new credit licensing regime and removal of a Point-of-Sale Exemption as a result of Recommendation 1.7 of the Hayne Report.

As the letter from Geoff Gwilym states, if implemented, this will be disastrous for a market sector already in distress and consumers may struggle to qualify for finance from mainstream banks. This will result in less sales.

VACC urges its members to use the social media and email platforms below to tell Treasurer Frydenberg that Hayne Recommendation 1.7 is bad for consumers and industry. Less cars sold means less revenue for state and federal coffers.

It's bad for Victoria.

Email: josh.frydenberg.mp@aph.gov.au

Twitter: @JoshFrydenberg

Facebook: @JoshFrydenbergMP

An open letter from VACC CEO Geoff Gwilym to Australian Treasurer Josh Frydenberg

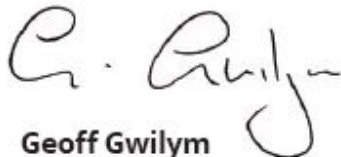
Dear Treasurer

Victoria's new and used car, motorcycle, farm machinery and commercial vehicle dealers need your help. The Victorian new car retail sales market is down approximately 10 per cent year on year. New motorcycle sales are down 14.1 per cent and farm machinery sales down approximately eight per cent for the year.

The outlook for Victorian dealers in 2020 is not good. Dealers continue to review business models and are suffering from deplorable trading conditions. Only key employment positions are being filled. Nationally, the drought and other domestic conditions are impacting the market and dealers are feeling the full effects of an over-regulated financial sector.

Now, dealers are also facing the prospect of a new credit licensing regime and removal of a Point-of-Sale Exemption as a result of Recommendation 1.7 of the Hayne Report. If implemented, this will be disastrous for a market sector already in distress, and consumers may struggle to qualify for finance from mainstream banks.

Hayne Recommendation 1.7 is bad for consumers and industry. It's bad for Victoria. Treasurer, the industry remains open to your engagement on this important matter. It's not too late.



Geoff Gwilym

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE

Victorian Automobile Dealers Association

Used Car Traders Division

Motorcycle Industry Division

Commercial Vehicle Industry Association

Farm and Industrial Machinery Dealers Association



Please call me for any further information.

Kind regards

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Industry Divisions

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