

# BULLETIN

## Industry Divisions



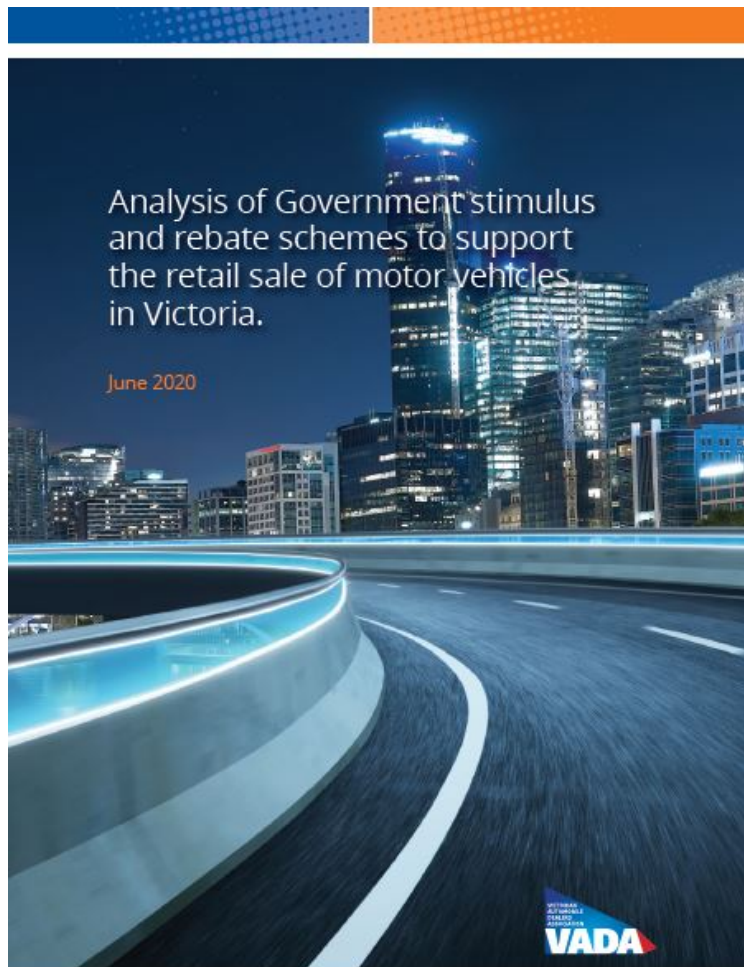
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Dear Member

Please see Part 2 of the VADA Roadmap to Recovery.

The attached paper ['Analysis of Government stimulus and rebate schemes to support the retail sale of motor vehicles in Victoria'](#) has been developed to assist the Australian Government to identify and activate stimulus measures that would assist the retail automotive sale market.



Key themes of the paper:

- It reviews some of the current programs offered internationally, ones that work (and don't) and pitfalls to be alert to in subsidy programs. I have drawn a local picture trying to align with dealer profitability, cyber car implications and the market pre and post CVOID-19.
- Key recommendations for the Australian Government to consider include allocation of revenue derived from Luxury Car Tax and import taxes to fund a consumer rebate scheme (similar to how they offer a rebate for Private Health insurance). I think it's a bit left field but, its dealer sourced money, time to give some back!

- I have focused heavily on Cash for Clunkers (CFC) type schemes. It is VACC's position that we support such a scheme, but mindful that we must tread carefully with supporting a rollout of such a scheme that does not have proper infrastructure set up (think 'Pink Bats' disaster). The CFC has so many policy and set up roadblocks that it must be done properly. The branding fiasco for dealers, industry and Government if we get this wrong will haunt industry for years.
- We must enable industry to adequately deal with the estimated 200k cars that may come off the road and be scrapped. The way to deal with these vehicles is via an End of Life vehicle program. And also be aware that at some stage when such a program is introduced, and eventually it will be, that government will look for program funding offset and funding via a (for e.g.) product stewardship arrangement or continuous vehicle registration arrangement. Both have implications for consumer, dealer and OEM.

Please any feedback would be gratefully received.

Hope you enjoy reading this as much as I enjoyed writing it.

**Michael McKenna MBA**

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