

# BULLETIN

## Motorcycle Industry Division



Reference No: Cyber Cars & Motorcycles

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### **When is a new motorcycle sale really a new motorcycle sale? VACC New Motorcycle Dealer survey regarding impact of Cyber Cars and Motorcycles**

For some time, members of the VACC Motorcycle Industry Division (MID) have reported their concerns of the practice of new motorcycles being reported sold by dealers to manufacturers that are not actually sold (AKA cyber motorcycles)

VACC intends to investigate this matter. To assist in our lobbying strategy we ask for dealers to take the following [survey](#).

All information provided by you is confidential and un-identifiable.

#### **How do new motorcycle dealers get caught up in this practice?**

MID members advise that typically, the practice of cyber motorcycles involves them being offered incentives by the manufacturer at the end of the month to hit or exceed sales targets. Quite often dealers are told to report a certain amount of stock as sold or risk missing out on a bonus.

These motorcycles are either registered and sold as demonstrators in the following months or may sit idle on a dealers floor until a purchaser can be found.

#### **What does the practice of cyber motorcycles result in?**

This practice provides factories with greater reported sales volumes and allows them to report higher sales figures to their overseas head office. However, the practice has ramifications in future dealer target setting. Dealer reported sales in a Primary Market Area (PMA) will therefore be overstated and any future target setting may not be achievable and so the cycle continues.

#### **MID members advise that the practice of cyber motorcycles can have the added following impacts:**

- The practice quite often breaches dealer agreements with Finance Companies and could place some Dealers in an invidious position.
- Finance Companies could or will lift the level of audit or reconciliation processes if this practice continues
- This practice creates a non-level playing field for Dealers who do not participate
- A Dealer left with a motorcycle could create a credit risk in timing of payment
- Creation of distorted PMA market result versus other brand dealers result
- Potential customer claims under ACL, particularly warranty periods etc.
- This practice is an inducement to bring forward false profits
- Creates an inability to do stock swaps

Those motorcycles sold under this guise are anecdotally believed to amount to reasonable portion of new motorcycles reported currently sold in the Victorian market and provide a set of data that distorts the true state of the market.

Could you please complete the survey by **Friday, 14 September 2018**. Your assistance is greatly appreciated.

Dealers are encouraged to call me for any queries or suggestions on this issue.

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**VACC**

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