[Your Name]  
[Position]  
[Address Line]  
[Suburb] [State] [Postcode]

[Date]

[Name]  
[Position]  
[Address Line 1]  
[Address Line 2]  
[Address Line 3]  
[Suburb] [State] [Postcode]

Dear [insert name],

I take the opportunity to write to you today about a significant issue that is seriously concerning for new car Dealers.

As part of its response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, the Government expressed its commitment to implement Recommendation 1.7, which called for the abolition of the Point of Sale (POS) exemption for finance introducers. This recommendation has a disproportionate effect on new car Dealers, the bulk of whom do not hold credit licences and depend on the POS exemption to provide good-value finance services to their customers.

Of particular concern is that, at the time the Government undertook to consider carefully how these reforms would be implemented, yet no consultation has taken place with the industry. We, as new car Dealers are left facing significant changes to our business operations that we know will negatively affect our profitability and our ability to create jobs. The proposed changes are not minor and will mean considerable reductions to the income that we, and all Dealers derive, from finance and insurance services.

The AADA recently engaged Deloitte to conduct a study on the likely impact of these changes. This study showed that after eighteen months of ever decreasing new car sales in an environment of depressed consumer sentiment, the average Dealer profit on sales revenue is down to 0.57 per cent and some 42 per cent of Dealers were loss-making during the period July 2018 to April 2019. Finance and Insurance income is down between 8-10 per cent YOY since July 2018. Deloitte’s work indicates that the abolition of the POS exemption will likely result on an average 0.2 per cent decrease in net profit.

**This will mean that 53 per cent of all new car Dealers would become unprofitable.**

As you might be aware, new car Dealers in the electorate of [insert your electorate] are significant contributors to the regional economy and provide [insert number of employees from DealerNomics] highly skilled full-time jobs in the area, as well as [insert apprentice numbers from DealerNomics] apprenticeships and support to the broader community with [insert community donations number] in sponsorships and donations. Our total economic contribution is [insert total economic contribution amount]. The changes to the POS exemption risk the ongoing viability of the sector, jobs they create, and their significant contribution to the Australian economy.

We would urge your support to ensure that our voices are heard in Canberra, and that proper consultation takes place before these changes are pushed through Parliament. We would further invite you to visit us and see for yourself the impact that increased unprofitability would have on our staff and our community.

Kind Regards