



AUSTRALIAN
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HONDA ANNOUNCEMENT OF DEALER CUTS LACKS COMPASSION

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Today marks another sad day for many of Australia's franchised new car Dealers with the news that Honda will be significantly cutting its Dealer network.

"Our thoughts are with those affected Honda Dealers, their employees and their customers," said AADA CEO James Voortman.

"This is a kick in the guts for many of Australia's 106 Dealer outlets currently selling and servicing Honda cars across Australia," he said.

"I am stunned by the timing of this announcement, as it simply lacks compassion. So many Dealerships are struggling with the immediate effects of COVID-19 and now these Honda Dealers and their employees have been told that they will be closing down," he said.

"Honda has not said how many Dealers they have terminated, but our understanding is that it is a significant portion of the network. Honda should come clean and specify how many Dealers they will be terminating," he said.

"It is so important that Honda compensates these Dealers sufficiently for the significant investments they have made in the brand, be it capital, time or effort. Dealers who have committed so much to the brand should not be forced to fight for adequate compensation," said Mr Voortman.

"This is just the latest example of the vulnerable position in which franchised new car Dealers can find themselves and it comes weeks after General Motors announced the dumping of some 200 Dealers.

"In the last six months we have had Honda, Holden and Infiniti either pull up stumps from Australia or significantly cut back their networks, leaving a trail of destruction in their wake", he said.

"It underscores the urgent need for strong Automotive franchising laws in Australia. Laws that will set a minimum standard of conduct for offshore manufacturers operating in Australia," he said.

ENDS.

For further information please contact:

Sharnee Pardy

Communications & Operations Manager

Australian Automotive Dealer Association Ltd

E: media@aada.asn.au

M: +61 423 542 494