



AUSTRALIA'S CARS GETTING OLDER – FLEET RENEWAL NEEDED

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The industry body representing new car Dealers has called on the Government to focus on renewing our vehicle fleet as new data shows the age of our fleet is falling further behind the rest of the world.

The [ABS Motor Vehicle Census](#) shows average age of passenger vehicles has now reached double figures and is 10.1 years. The average age of light commercial vehicles also rose and now sits at 10.6 years.

"We need to work towards lowering the age of our cars and getting newer cars on our roads which are safer, cleaner and more efficient than the older cars they replace," AADA CEO James Voortman said.

"This data shows that over the last five years both our passenger car and light commercial vehicle fleets have been getting older," he said.

"Amid the pandemic, there is evidence that many people are nervous about using public transport and are considering purchasing a car. There is an opportunity for Government to help those people into a newer car and in the process support an industry which is struggling," said Mr Voortman.

"The Government should design policies which assist in renewing the fleet. For example, the instant asset write off has helped, but can be made more effective. The scheme currently applies a limit of \$57,581 on cars. There is no rationale for this limit and many businesses that may have taken advantage of this initiative have been left frustrated and confused," he said.

"COVID-19 has also seen many consumers struggling to get credit as individuals utilising JobKeeper are being treated as high risk by credit providers and being denied credit. It is going to be difficult for this industry to recover if credit is frozen and there is an opportunity to provide a guarantee and exemption from responsible lending laws similar to that which has been provided to SMEs," he said.

"Unfortunately governments, both federal and state have done very little to incentivise newer cars in recent years and taxes such as import tariffs, the luxury car tax and vehicle stamp duty have only inflated the prices of new cars," said Mr Voortman.

"In other parts of the world governments are currently developing significant stimulus packages for their automotive industries in recognition of the sector's economic importance, but also as a way of lowering the age of their vehicle fleets and achieving the associated benefits of a younger fleet," he said.

ENDS.

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