

4 - APR 2017



Holden

27 March, 2017

187 APR - 7
Mr Robert Whelan
Executive Director and CEO
Insurance Council of Australia Limited
PO Box R1832
Royal Exchange NSW 1225

Dear Mr Whelan

Holden Retail Parts Price List

Thank you for your letter of February 24, and the opportunity to explain the rationale behind our decision.

As you are aware, Holden provides replacement parts to Australian customers through an extensive network of Holden authorised dealers, who in turn service the various automotive sectors (including, other dealers, service mechanics, performance parts, collision shops) via either wholesale or retail sales channels.

As the original equipment manufacturer, we have historically provided Holden dealers wholesale and retail price recommendations irrespective of which channel replacement parts service. In the category of collision parts, these are only sold through wholesale channels to collision repairers, and consequently at wholesale prices – in effect, there is little or no “retail” market for these collision parts.

We will still maintain our retail price lists (for non-collision parts) which does ensure the transparency for our customers. However, we do not have a need or the resource to maintain and issue retail prices for parts that are primarily only sold at wholesale prices. We will focus our attention, through our dealer network, on ensuring competitive wholesale prices for collision parts.

We believe that the publication of recommended retail pricing for collision parts may distort the process of quoting collision repairs, and it would be more transparent and ensure there is a level playing field amongst the collision repairers. This change provides the repairers with the best conditions to quote for genuine Holden parts and not be disadvantaged by a competitor using copy or used parts. This transparency will benefit our collective customers in ensuring genuine parts are used in repairs, protecting their safety and long-term ownership costs of their vehicles.

We are fully supportive of your call for transparency and competition and would be pleased to discuss these and other matters impacting on our (common) customers. Please call Aivars Paeglis on 0419307524 (or aivars.paeglis@gm.com) if you require more information.

Yours sincerely

Mark Bernhard
Chairman and Managing Director