

PERFORMANCE SUBARU

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 **SUBARU**
ALL-WHEEL DRIVE

FILE No:
DOC:
MARS/PRISM:

11/12/03

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
Dickson ACT 2602

Reference C2003/1420 – Notification lodged by Subaru (Aust) Pty Limited & Others

Dear Sir/Madam

My name is John Pooley; I'm the Managing Director of Performance Automobiles a multi-franchise dealer group based in Hobart Tasmania. I would like to take-up your invitation to provide a written submission in regards to the above notification. You specifically ask to comment on "public benefits" and "competitive effects".

Brief Profile on Performance Automobiles

Performance Automobiles is a family business that was founded in 1964. We are very proud of the premium brands we represent being:

- Porsche since 1970
- Volvo since 1972
- Subaru since 1973
- Mercedes since 1989
- Alfa Romeo since 1998
- Citroen since 2003

Since taking on the Subaru franchise in 1973 we have seen the brand develop and grow from a somewhat quirky Japanese car company to a premium brand with its trade mark all wheel drive technology that is standard on all cars sold in Australia. Performance Automobiles sell 40 to 50 new Subaru per month and we hope to sell in excess of 500 cars this year.

AUST. COMPETITION &
CONSUMER COMMISSION
15 DEC 2003



Public Benefits & Competitive Effects

What differentiates Subaru from some other car companies is its loyal customer base. As the Managing Director of Performance Subaru I make sure my team put enormous effort into providing our customers with first class service and providing value-added benefits that keep our customers coming back. An important value-add is financial and insurance services. For this reason, I'm very supportive of the programs outlined in the notification as it will provide real value-add or as you refer, a "public benefit":

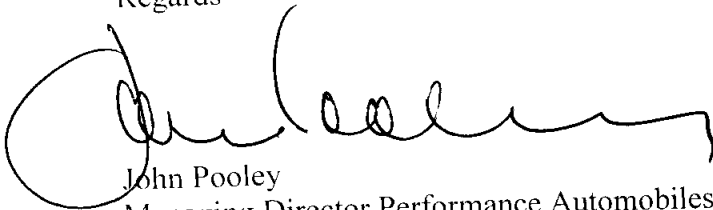
- My consumers will be eligible for less expensive finance. This will be against a backdrop of increasing interest rates forecast for 2004. Our Subaru customers are very rate savvy and generally have solid credit credentials and are able to source finance from an array of financial institutions. Our customers have total choice of finance provider, their decision will generally be based on the competitiveness of the offer. Other financiers have the ability, if they so choose, to match the offer provided by Subaru Finance/GMAC.
- My consumers will be eligible for less expensive insurance. A well-documented phenomenon is soaring motor vehicle insurance costs around Australia. Whilst Tasmanian has not seen the same increases as major cities on the Eastern seaboard, our Subaru Impreza WRX has seen significant premium increases. Customers have total freedom of choice to insure their Subaru. I believe the introduction of a competitive insurance product can only give our customers greater choice. There are no reasons why other insurers can't reduce their pricing.

What other options do Subaru Dealers have in acquiring wholesale finance?

You asked that this question be addressed. As the Managing Director, the choice of wholesale financier is solely my decision. I utilise two financiers for wholesale floorplan finance, Subaru Finance/GMAC for my Subaru business and another financier for my other brands. There are many financiers that provide floorplan finance, including many of the major banks and finance companies. My decision was based on competitiveness, as any potential savings reduce my operating costs, which in turn allows me to keep my retail pricing competitive.

Thank you for inviting me to comment on the finance and insurance programs and I hope the above is of some assistance.

Regards



John Pooley
Managing Director Performance Automobiles