



INTRODUCTION

This submission is made by [Tomcar Australia](#) Pty. Ltd. ("TCA"), an Australian-owned vehicle manufacturer based in Melbourne, Victoria. TCA produces a range of vehicles known as the 'Tomcar' with its strategic local manufacturing partner, [MTM](#), a Tier 1 automotive components manufacturer. We believe the world has moved into an era of designing and managing the factors of production, rather than being them. This is one reason why we outsource our production.

TCA began producing vehicles in Melbourne in late-2011 and aims to produce over 5,000 vehicles by end of year 2016 both for domestic and export markets.

WHO IS TOMCAR AUSTRALIA?

TCA is an 100% Australian-owned private company and all IP created by TCA remains and is controlled in Australia - not in Detroit or Tokyo.

For the past eight years TCA has been hard at work in setting up Tomcar as the first locally made car manufacturer in over thirty years. Our goal is to create a next generation car company with a truly sustainable business model. However we face many challenges.

WHAT IS A TOMCAR?

The Tomcar is a truly innovative all-terrain vehicle. The Tomcar's simple and robust design is a product of years of global market research, rigorous product development and continuous feedback from military field-testing.

Designed and produced for the gruelling demands of various military applications, the Tomcar easily negotiates extreme off-road terrain comfortably, safely, at speed, with the addition of a heavy payload capacity. The Tomcar itself is a remarkable feat of modern engineering and geometric balance. All the mechanics and electronics are elegantly simple, not only allowing easy part replacement but also providing an excellent platform for almost infinite customization.

The Tomcar simply can go where other cars cannot. Our world leading design gives us a local car which is specifically suited to a number of overlapping niche markets. These include; Rural, Mining, Military and Emergency Services applications.

The Tomcar is a much safer substitute for 4 wheeled motorbikes (ATVs) and other side by side's (SxS), given it's size and versatility. Recent independent safety testing by the University of Sydney of ATV and SxS vehicles being sold in Australia had Tomcar as the clear winner. There is now a safe all-terrain vehicle being manufactured in Australia which will save lives and reduce injury and deaths on Australian properties.



Currently the car does not have Australian Design Rules (ADR) certification for on road use, but it is our full intention to go through this process.

Further information on the Tomcar can be found on our website: www.tomcar.com.au

WHY WE ARE A DIFFERENT KIND OF AUTOMOTIVE COMPANY

We are reinventing the way cars are sold in Australia. We don't want to have dealers with millions of dollars worth of cars on corners of busy roads. We'd rather sell via a distribution system which is in line with wider internet retail trends. So we sell vehicles and parts direct to our customers through the internet.

We also appoint direct sales representatives clustered around Australia - these are brand patrons helping people who seek them out - TCA has a 'demand pull', rather than a 'retail push' distribution model.

Most people think only tech companies can have less than 10 employees. We've proven that it is an 'attitude', not an industry type that allows a 'lean' approach. We've taken a tech startup approach into the auto sector.

There is a certain art to limiting what you make, so you ensure you make the best. We are ruthlessly focused on delivering the best off-road vehicle in our chosen segments of defence, agriculture, mining and emergency services. This ensures we are truly fit for purpose. We find that it is what you actually leave out that makes the best design. We ensure we never suffer from 'feature creep'. The Tomcar is a perfect expression of Function over Form.

Our aim at TCA is to purely focus on R&D, design and marketing, rather than owning and controlling an inflexible end-to-end supply chain. It is our belief that global supply chains are being split irrevocably by the digital era. This is creating a permanent disintermediation between manufacturing and the selling of vehicles. In fact, this is true for all manufactured goods.

This has already been embraced to financial advantage by technology companies the world over, who now focus on design, and outsource manufacturing to 3rd parties. While we are taking on the same method, it is our intention to leverage the existing 1st tier auto infrastructure we are blessed with in the Australian market. This approach will assist in maintaining the viability of the wider auto industry. This is why we outsource the manufacturing of the Tomcar vehicles to MTM, our strategic manufacturing partner here in Australia. We represent the next generation of auto marketing, as has been evidenced globally in adjacent industries.



TCA has the capability to change the design as to what suits the market environment; we are in control of our own destiny. Unlike all the car companies who are all foreign owned, TCA's small management team and all our decision makers are based in Australia. So, decisions on the future of our local vehicle manufacturing will not be affected by overseas interests.

Because all of our vehicles are hand-made, the more we make, the more Australian people we employ - not robots.

WHAT'S WRONG WITH THE DOMESTIC AUTO INDUSTRY AT THE MOMENT

In this submission, we can only give our own opinion on the current auto industry and share our own experiences.

The current vehicle retail distribution model is fundamentally flawed. It is an expensive way to distribute vehicles and is an outdated form of retail in the internet age. Vehicle OEMs in Australia are foreign owned who force quotas onto local distributors - resulting in over-stocked and uncompetitive dealer networks. Money is not made on sales of new vehicles, but from finance, over-priced parts, servicing and mainly second-hand vehicles. TCA feels that this is not a secure foundation for a long-term domestic auto industry.

The industry is also overly focused on heavy advertising, retail tricks and chicanery such as cash backs, stock-take sales to falsely stimulate demand for vehicles.

There is no scheme to protect and nurture local vehicle production. The Australian market has more car brands per head of population than any other country in the world. Local production in some way needs to be promoted against overseas imports.

There is not enough emphasis placed on local, state and federal governments to purchase Australian-made vehicles. From our first-hand experience, the current system that aims to facilitate this, simply does not work.

As a side note, Australia is not benefitting enough throughout the mining supply chain. Government needs to be more aware about the potential for things beyond mining jobs and selling the stuff that comes out of the ground. Most infrastructure & hardware requirements come from overseas (including vehicles). It is one of the greatest lost revenue opportunities in this country today.



CHALLENGES FACING TOMCAR AUSTRALIA

As a new vehicle startup company we have had many challenges.

TCA faces an incredible amount of bureaucracy and legislation trying to get our vehicles compliant for general road use. Sincere government help in this area is severely lacking.

TCA needs help in reducing the restrictive regulatory practices which stifle vehicles being driven on public roads in Australia. The current ADR scheme is expensive and limited to vehicle manufacturers who can afford to carry the testing and crash tests on their vehicles.

We need help in getting the vehicles on the road. Once they are allowed on the roads here in Australia, we will then in one fell swoop become the newest vehicle manufacturer in Australia.

It seems unfair that the governments seem to ignore the 'startup' vehicle community and fail to support the automotive ecosystem as a whole.

Lack of Government support given we don't currently own our supply chain. Even though we

are the catalyst behind building a multi-corporate beneficiary structure, it largely goes ignored and unsupported. Because of TCA's innovative business model we have been unsuccessful in securing government funding.

WHAT WE'D LIKE TO SEE CHANGED

Government related businesses must support the automotive industry by purchasing locally produced vehicles.

The government needs to find a way to support new automotive startup companies that are based upon different business models. All governmental policy needs an understanding of the economic benefits a horizontal supply chain structure of players within the auto sector.

Awareness and financial recognition of tier 1 auto players' aggregated financial impact as supply chain partners (e.g. MTM & Tomcar). This will allow companies like TCA to apply for government funding - under the current scheme TCA is ineligible, because we outsource the production of the vehicles to a 3rd party.

Tariffs should be standardised across the board for all imported vehicles. Policy makers are sending mixed signal with what vehicles receive tariffs. Some are at 5% and some are not.

Future policies should ensure that the automotive industry is not hollowed out to become only an assembly industry.

The loss of vehicle production in Australia would see the total abandonment of all vehicle related component production from Australia. We need to create and nurture a new-age automotive 'ecosystem' where smaller local car-manufacturers get a chance to grow, utilising the current world-class domestic automotive supplier network.

CONTACT DETAILS

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