



**NATIONAL AUTOMOBILE
DEALERS' ASSOCIATION**

Powering the industry

The National Automobile Dealers' Association (NADA) is a professional non-profit association that represents the interests of businesspersons who own or operate new motor vehicle franchise dealerships and qualifying used car only outlets in South Africa.

NADA is dynamically committed to the image enhancement of the retail motor business, facilitating the interface between dealers and, OEMs, importers and the distributors who supply them and building rewarding relationships between dealers and their customers.

In addition, NADA brings relevant issues that face its members to the attention of government and other role players so as to ensure that its members operate in the best possible economic environment.

In all forums, NADA is recognised as the fully representative and respected voice of retail motor vehicle dealerships in South Africa.

As a major role player in the automotive industry, NADA and its members are strong supporters of complying with the Retail Motor Industry Organisation's and the Consumer Protection Act's Codes of Conduct for the Automotive Industry.

Further, NADA members are committed to providing the customer with quality products and service, and are singularly minded in meeting their customers' expectations at every turn.

NADA is a proud constituent association of the Retail Motor Industry Organisation (RMI), and has affiliations with a number of similar organisations world-wide.

The association operates through a structure of member-elected regional and national committees, which develops and implements necessary strategies, policies and action plans.

Active participation by members in the activities of NADA is strongly encouraged and is limited only by the level of input and the amount of executive time those concerned are prepared to give.

At its regular meetings, the NADA executive reviews topical trends and developments which impact on the business of retail motor vehicle dealers. It establishes its position on these issues and decides what needs to be done to achieve the best outcome for NADA members and, ultimately, their customers.

Here is an example of some of the issues:

- NADA has developed strict guidelines for conduct for meetings and discussions between competitors in the South African motor vehicle retail industry to minimise the risk of a possible contravention of the Competition Act when addressing matters affecting motor vehicle dealers' business.
- The viability of dealers has become a key focal point as the environment within which dealers operate changes almost on a daily basis. Rising input costs, coupled with a shortage of technical skills and increasing expectations from consumers mean that it is imperative that dealers manage their variables and operational costs closely and seek out the business that is available in the market place. Those dealers that are prepared to go the extra mile, work smarter and harder will reap the rewards and be in a position to service their customers now and into the future.
- NADA regularly examines the structure of franchise motor vehicle dealer agreements to ensure the even handling of the relationship between the dealer and the OEM.
- NADA recognises the need to protect the motoring public's interests wherever possible, especially in resisting increases to the costs of vehicle acquisition and overall vehicle ownership.
- NADA has maintained a persistent and effective lobby with government to monitor and influence legislation which impacts on its members in the retail motor sector. This relationship has been carefully nurtured and NADA's access reaches upwards to Cabinet Ministers themselves, as well as into Parliament's special governmental portfolio committees and task groups.
- NADA has long recognised the key role played by banking institutions in financing vehicle acquisition and operating costs. It has developed strong relationships with major banks in order to ensure good terms for members and customers alike and to monitor new trends and developments as they occur.
- As far back as 1995, in recognition of NADA's role in the industry, NADA was invited to participate in the Motor Industry Task Group resulting in the formulation of the Motor Industry Development Programme (MIDP), which was superseded in 2013 by the Automotive Production and Development Programme (APDP). NADA is still an active member of the Motor Industry Development Council (MIDC) whose role it is to monitor the application of the APDP.
- On-going changes in labour legislation have led to much greater activity by NADA in this field of endeavour and the NADA Labour Forum continually evaluates how these changes will impact industry and, where necessary, appropriate action is taken.

The latest Main and Wage Agreement reached between employers and the trade unions governing all aspects of the labour interface, was successfully negotiated via the offices of the RMI following clear and concise mandates provided by NADA.

NADA, via the regional offices of the RMI, continues to offer members ongoing advice on the handling of human resources and labour relations matters.

- NADA also provides guidance to members in areas such as the CPA, FAIS, FIC, NCA etc. so as to ensure that the members are up to date with recent developments in those spheres.

The following are examples of some of NADA achievement's over the years:

1. In 1996 NADA, staged the first-ever Motor Industry *bosberaad* of all motor manufacturers, dealer councils, CEOs of major retail groups and NADA, and on which occasion the results of the first ever NADA Dealer Satisfaction Index (DSI) survey were announced.

Over the years the results of the survey have been used by dealer councils, OEMs and importers as an effective management tool to address areas of concern and thereby improve service delivery throughout the entire value chain to the ultimate benefit of the consumer.

During the second quarter of 2015 NADA will be conducting its 20th consecutive NADA DSI survey and the results will be announced on July 16.

2. In 2002 NADA negotiated with SARS to allow a six month moratorium for motor vehicle dealers to get their records in order in terms Section 20(8) of VAT Act relating to input tax credits on used motor vehicle trade-ins. This saved the industry millions in rejected VAT claims, penalties and interest payments.
3. Following from the aforementioned NADA was involved in getting SARS to develop a specific VAT guide for motor vehicle dealers, which is still in operation today.
4. In 2007 NADA negotiated and, with the assistance of Werksmans' attorneys, drafted the current Master Service Agreement which regulates the relationship between financial institutions and motor vehicle dealers in terms of the National Credit Act.
5. During 2007 /2008, NADA made extensive representation to the National Treasury relating to the retail motor industry's concerns regarding the imbalance in learnership tax allowances when compared to that of CBMT and time-based apprenticeship contracts. The engagement resulted in the R20 000 per year tax allowance per learnership being extended to CBMT and time-based apprenticeship contracts.
6. In 2014 /2015, NADA engaged with the National Treasury regarding the proposed changes to the definition of "determined value" in respect of the right of use of company motor vehicles, which would have resulted in a substantial fringe benefit tax increase to staff in the dealership environment. However, NADA managed to ensure that the current basis for determining the value would remain in place until 2018, where after VAT would have to be added into the calculation. NADA will continue to engage with the National Treasury on the VAT issue.
7. During 2013, representatives from NADA held a highly successful engagement with Dr Blade Nzimande, Minister of Higher Education and Training, and senior officials for his department in terms of which industry proposed the development of a Generic Trade Preparation (GTPP) based at TEVT (FET) Colleges.

This resulted in the Minister and NADA agreeing to the formation of a Public-Private Partnership between the DHET and the retail motor vehicle dealer sector aimed at addressing skills shortages amongst technical trades within the sector. The programme has been successfully rolled out in strategic TEVT (FET) Colleges around the country.

The following are some of the key issues that the NADA National Executive Committee will address during 2015:

- Continue to foster a closer working relationship with NAAMSA;
- Continue to foster a closer working relationship with FSB and NMFA;
- Continue to engage SAIA and NAAMSA on the accreditation of parts and the cost of insurance;
- Continue to engage government on issues impacting industry and pro-actively commenting on any proposed legislative matters which could have a negative impact on dealers;
- Finalisation and implementation of the Codes of Good Practice in terms of the CPA (finalised);
- Conducting of the 2015 NADA DSI survey;
- Continue to encourage more participation in the Generic Trade Preparation Training Programme;
- The Income Tax Act – regarding the definition of “determined value” in respect of the right of use of motor vehicle (finalised);
- BBBEE Codes of Good Practice: Continue engage with DTI on procurement constraints within the dealer environment;
- Investigate the possible implementation of a Dealer Bill of Rights – possible visit to UK to investigate; and
- Consider and make comment on the FSB’s Retail Distribution Review process. Engage proactively with the NMFA on this matter; and
- Finalise and implement the new revamp interactive NADA website.

As organised business in the retail motor industry, NADA has a duty and responsibility to actively engage the political leadership and other prominent role players at all levels, to ensure that stable, predictable economic, legislative and labour frameworks are entrenched into the South African business environment which will encourage long term investment and growth in the economy.

NADA will continue to play a pivotal role in representing motor vehicle dealers locally. NADA will be the united voice for both small and large businesses in the sector and will relentlessly explore effective solutions to translate vision into real action to uplift the retail motor vehicle dealer business and thereby the South African economy as a whole.

New relationships will have to be fostered and existing ones enhanced if NADA and its members wish to be successful in this ever-changing political and economic environment. In the coming months and years, NADA members will be required through the structures of the association and the RMI to become more actively involved in the affairs of the motor industry if it wishes to achieve personal and collective goals.

Motor vehicle dealers wishing to become members of NADA will be required to meet strict accreditation criteria. If you are interested in becoming a member of NADA, please contact Louise Prinsloo on 011 886 6300 or email louise.prinsloo@rmi.org.za