



7 February 2022

Heartland Motors

RE: Changing automotive trading conditions

My family has been operating businesses in Sydney's western suburbs since 1966. We believe in long term businesses that serve a local community in a positive manner. Our businesses have included car dealerships, hotels/pubs and property investments.

Unfortunately, over the past 10 or so years the automotive business has changed dramatically. As a result, we no longer require such a big site (circa 23,000m²) to sell and service cars and for this reason our site has become dominated by car parking/display spaces that are no longer practically (or financially) required.

This is for the following main reasons:

1. Online – customers no longer drive to a dealership or an auto alley and test drive cars for hours on end until they find the car they want to purchase. Instead, they do the research from their coach online. They know what they want to buy before they come to a dealership and often know as much about the car as our staff. They ring the dealership and make an appointment to negotiate. They are in and out of the dealership in less than an hour.
2. Build quality – cars are built significantly better than they were 10 years ago. And this will continue to be the case with technology advancing as it is. This means people are bringing their car back to the dealership less and less for repairs, replacements and services; (A) The service intervals are longer than ever, no longer are they every 6 months they are at least annual and (B) the warranty on cars are no longer 2 or 3 years it's now 7 to 10 years and even unlimited. Therefore, our customers are visiting our site less and less, at best it's once per year but of course most customers take their car to get serviced by non dealerships because they are cheaper and use non genuine parts. Even insurance companies no longer replace parts with genuine parts and often use non dealers for the work eg midas, mycar, ultra tune, nrma and many independents.
3. Competition – there are more brands on offer in Australia than anywhere in the world. No longer is it a choice between Holden, Ford, Toyota. That means less people are buying our Heartland brands thus the less customers on our property and less profit. This also goes for servicing your car once you have made your purchase, as mentioned above.

4. Holden – Castle Hill was home to one of the biggest Holden dealerships in Australia but even they couldn't keep up with the competition in Australia and as you know has ceased manufacturing and folded the brand all together. This was a big hit to our business including sales, staff and profit.
5. COVID – while we hope this will be resolved in the coming years, who really knows?? The supply of chips and other vital parts are causing huge supply problems thus we have less cars to display and sell on our site.

Below is a schedule of our staff numbers and cars sold over the past 10 years, as you can see the business is changing and shrinking in response to the abovementioned market trends:

Year	No. Staff	No. Sold
2012	63	2062
2013	62	2152
2014	73	2710
2015	66	2812
2016	63	2451
2017	59	2336
2018	59	2470
2019	58	2497
2020	52	2050
2021	45	1803
2022	42	932
	-33.33%	-54.80%

In circumstances where our massive site is now significantly underdeveloped and underperforming, we implore Council to see the value in the complimentary pub business where we can share parking and other resources. Doing so will make the site a more efficient use of space so that we can employ more staff and provide a better place to gather as a community in family friendly style similar to the Merivale Group. Our vision for the pub is family, family, family. This will be a family pub that will be designed, staffed and catered accordingly. We pride ourselves on providing a family business with family values.

We hope you agree that this project is strictly and legally within Council's planning regime and more importantly that it will significantly improve the overall community for many reasons.

Kind regards,



Kieran Turner
Director
Heartland Motors

