

Bulletin

Industry Divisions



Reference No. AHG WA v Mercedes-Benz/mm-08-23

Date: 31/08/2023

Court case AHG WA (2015) Pty Ltd v Mercedes-Benz Australia/Pacific Pty Ltd

Yesterday, in the Federal Court of Australia (FCA), The Hon Justice Beach handed down his judgment in the FCA case *AHG WA (2015) Pty Ltd v Mercedes-Benz Australia/Pacific Pty Ltd* [2023] FCA 1022. The dealer's case was dismissed.

The case was lodged in the FCA after 38 Australian Mercedes-Benz dealers brought the proceeding asserting that the agency model as implemented in Australia by Mercedes-Benz Australia/Pacific Pty Ltd has involved the appropriation of their goodwill and customer relationships for no, or inadequate compensation. The 38 dealers sought \$650 million in compensation saying they were forced to sign new agency agreements when their previous dealer agreements were terminated.

[Read the summary of the reasons for judgment here.](#) Beach J had not permitted the reasons for judgement to be publicly published citing confidentiality conventions.

VACC and TACC acknowledge the Victorian and Tasmanian Mercedes Benz dealer members who are impacted by yesterday's ruling.

VACC will look to obtain best possible guidance for all members regarding the impact of this case.

The Victorian Automobile Dealer Association (VADA) will convene on 5 September to discuss a dealer informed response to the Franchising Code Review. Attending the VADA meeting will be VACC CEO Geoff Gwilym and AADA CEO James Voortman.

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