
Franchising Code Inquiry now taking submissions

Date Issued 28/03/2018

Ref No. AM 09-18

Franchise dealer members should be aware that VACC Deputy Executive Director, Mrs Leyla Yilmaz and VACC Industry Policy Advisor, Mr Stuart Strickland OAM, were invited to a meeting in Canberra with Senator for New South Wales, Mr John Williams, to discuss current issues of concern automotive franchisees.

VACC also took two franchisee members, who were able to highlight to Senator Williams the plight of dealers before, during and post franchise agreement. Those members were able to talk 'in camera' with the Senator. VACC wishes to thank those members for their insightful and factual engagement with the Senator.

Senator Williams has been a strong advocate for reforms to the Franchising Code and has been a supporter of franchisees recently affected by the Retail Food Group debacle. Senator Williams has also spoken of the issues facing automotive industry participants in Senate Economic Legislative Committee hearing in early March 2018. VACC thanks Senator Williams for this support.

From 2013, VACC has lobbied for either a standalone code for automotive industry participants or amendments to the current code that adequately reflect the level of investment and sophisticated nature of automotive industry franchises.

Announcement of Inquiry

VACC has been informed that on 22 March 2018, the Senate referred an inquiry into the operation and effectiveness of the Franchising Code of Conduct to the Parliamentary Joint Committee on Corporations and Financial Services for VACC report by **30 September 2018**.

The announcement made by the Parliamentary Joint Committee on Corporations and Financial Services can be viewed by [taking this link](#), Terms of reference for the inquiry can be found by [taking this link](#)

What will the Inquiry focus upon?

The Inquiry will focus on areas effectiveness or ineffectiveness of the current Franchise including:

- full disclosure of all information to all potential franchisees in pursuit of allowing for the investor to be fully conversant ensuring the disclosure document, in of all financial costs,
- bi lateral obligations,
- PMAs and;
- other areas including termination or non-renewal rights.

This will include sectors such as new car, motorcycle, rental vehicles, commercial vehicle and automotive repair.

What can members do to assist?

VACC has developed an online tool known as 'VACC Franchise Code Assist' designed to capture evidence of areas where the current code is failing. You can access VACC Franchise Code Assist [by taking this link](#).

Members are asked to use VACC Franchise Code Assist, to load data and highlight the unfair practices and the inadequacy of the current franchise code for automotive members.

Members are also encouraged to make submissions to the Inquiry. VACC will provide a template for members to use. Confidential submissions can also be lodged. Submissions close 4 May 2018.

Please feel free to call for VACC for any assistance.

Regards

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