

# BULLETIN

## Industry Divisions



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VACC members are advised that the Federal government yesterday released the Government Response to the Parliamentary Joint Committee on Corporations and Financial Services' [Fairness in Franchising](#) report.

In response to the Parliamentary Joint Committee's report, the Australian Government will:

- i. double the penalties that apply for breaches of the Franchising Code
- ii. strengthen dispute resolution options by introducing conciliation and voluntary binding arbitration
- iii. improve disclosure relating to supply arrangements, marketing funds, exit arrangements and signifi expenditure
- iv. introduce a mandatory Key Disclosure Information Fact Sheet to highlight key information
- v. consult on developing a public register of franchisors and a franchising website to make it easier to information.

In addition, the report makes mention of additional work for an industry led voluntary (MTAA & VACC do not agree with voluntary) set of principles for compensation.

VACC welcomes all changes, as they contribute ongoing concerns regarding enforcement, disclosure, dispute resolution and more obligations on franchisors, but fall short on recognising goodwill and preventing unconscionable conduct and misrepresentation which are larger issues for reform to the Australian Consumer Law and Competition and Consumer Act.

Through our national body, Motor Trades Association of Australia (MTAA) VACC will continue to pursue further enhancements to the schedule of amendments to the Franchising Code for car dealers to address remaining outstanding matters of concern.

MTAA will also increase representations to urgently include motorcycle, commercial vehicle and farm machinery dealers in the new schedule given the almost identical concerns of these dealers to those of new car retailing.

You can read the MTAA media release reading the release of the Governments response to the Fairness in Franchising Report by taking this [link](#).

There is still work to be done in pursuit of better opportunities for a return on investment for automotive retail franchisees.

**GEOFF GWILYM**  
Chief Executive Officer