
VACC Submission: Parliamentary Inquiry into Franchising and Oil Code of Conduct

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Members were advised on 22 March 2018 that a Parliamentary Inquiry into the operation and effectiveness of the Franchising and Oil Code of Conduct had been established and that VACC would be entering a submission on behalf of its members.

It is the view of VACC that the Parliamentary Inquiry represents a significant opportunity to present the best case for change.

You can view the VACC Submission: Parliamentary Inquiry into Franchising and Oil Code of Conduct by [clicking here](#).

What were the identified sectors seeking urgent changes to the Franchising and Oil codes?

Members from the new car, motorcycle, farm machinery and truck dealerships, fuel and tyre retailers, automotive servicing and body repair businesses, car and truck rental and outdoor power equipment retailers were all identified as being significantly affected by the current Code.

What was the methodology used to inform the VACC submission?

VACC utilised a series of intelligence gathering processes, which included:

- A national survey of automotive franchisee businesses.
- Focus group interviews with VACC franchise member businesses (past and present).
- VACC member telephone interviews.
- Historical evidence gathered post the 2013 Wein Review.
- Data loaded to [VACC Franchise Code Assist](#)

It was revealed during the intelligence gathering process, that despite amendments to the Franchising Code - and the recent introduction of unfair contracts laws – members still encounter disputes with franchisors, and are often left with little or no protection.

VACC thanks the 180 survey respondents who provided data via the survey and VACC Franchise Code Assist portal.

Key recommendations contained within the VACC submission include:

- VACC has pressed for a review into franchising with the objective of achieving an industry specific franchise code that takes into account the sophisticated nature of automotive businesses. This has been a VACC policy position since 2012.
- The need for an independent party to oversee the development and operational functionality of an agreement.
- Clearly stated provisions for termination, changes to PMA's and use of a range of suppliers.
- The establishment of an effective dispute resolution process without the need for expensive litigation.

Next steps:

A VACC delegation has met with key members of the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) to convey the issues faced by members currently operating under the Franchising and Oil Codes. VACC can confirm it has a place during Senate Hearings, with guaranteed 'in camera' time to provide the Committee with further evidence of member issues

VACC will continue to update members on this Inquiry.

Regards

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