

# BULLETIN

## Victorian Automobile Dealers Association



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### Government announces inquiry into franchise relationships between distributors and new car dealers

VACC has been advised that The Hon Karen Andrews MP, Minister for Industry, Science and Technology and Senator the Hon Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education today issued a joint media release announcing that a Regulation impact Statement (RIS) focussing on franchise relationships between distributors and new car dealers had been realised for consultation on the Department of Industry, Innovation and Science's (DIIS) Consultation Hub. You can see the RIS by taking [this link](#).

VACC has for some time raised concerns about the fairness of the franchise arrangements that VADA members have with their car manufacturer franchisors, suggesting that the Franchising Code of Conduct is insufficient. DIIS has developed the RIS and is looking to canvass possible responses to address new car dealers' franchising concerns. DIIS will use the feedback obtained through this consultation process to inform development of advice to the Government.

It is the advice of the Government that this will be the perfect opportunity for new car dealers to highlight improvements to franchise arrangements. The consultation process will also assist Government to better understand the current challenges faced by car dealers and manufacturers.

The government has further advised that the Parliamentary Joint Committee on Corporations and Financial Services is reviewing the Franchising Code with a report due on 14 February 2019. The Committee has heard from VADA members and other members of the automotive retail franchise sector at specially convened in camera interviews. VACC acknowledges the work done by those VADA and MTAA members in telling the government their story.

Consultations close on 13 February 2019. VACC will be providing a submission on behalf of VADA members. If you would like to enter your own submission please feel free to contact me for any assistance.

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Industry Divisions

**VACC**

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