

Review of Franchising Code of Conduct: time for the automotive repair franchise network to have their say

On 15 August 2023, the Minister for Small Business, The Hon Julie Collins MP announced a comprehensive review of the *Competition and Consumer (Industry Codes – Franchising) Regulation 2014 (Cth)* (the Code).

You can view the consultation paper by taking this [link](#).

About the review

Minister Collins has appointed Dr Michael Schaper to lead the review of the Code.

Dr Schaper is well known to VACC and the Motor Trades Association of Australia (MTAA) and has extensive experience with franchising and the broader small business sector.

The Code review will evaluate previous franchising reforms and bring a number of reviews under one umbrella, including statutory reviews of the Franchise Disclosure Register and specific new car dealership protections contained within Part 5 of the Code.

From an automotive retail perspective, the focus of the many code reviews that have taken place over the past 20 years have focused solely on the franchise facing situations confronting new car franchise dealers, and to a lesser degree the situations facing motorcycle, truck, farm and industrial machinery franchise dealers. This is not surprising, given various behaviors of multinational franchisors have severely impacted these sectors.

Time for automotive retail repair franchise businesses to have their say- take the survey!

Your franchise business should take [this survey](#).

Please note, if you are a motor car, motorcycle, farm machinery or commercial vehicle dealer, you do not need complete this survey.

VACC is keen to hear of your experiences and provide an opportunity for you to arrive at a true position of fairness and equity when dealing with your franchisor. All responses will be kept strictly confidential, with no identifying information made public. It is now time for those in the automotive retail, repair and mechanical franchise sector to have their say and tell their story.

Franchise businesses from the following sectors should take this survey:

- Brakes
- Mufflers
- Tyres
- Windscreens
- Key cutting
- Mechanical service and repair
- Automotive parts and accessories

The protections set out in the Franchising Code aim to provide the necessary regulatory support for industry to guard against misconduct and opportunistic behaviour. Taking the survey and providing your feedback to VACC will assist us in advocating on your behalf for fairer and more equitable future outcomes with your franchisor.

Does your business fall under the protection of the Franchising Code?

Under the scope of the code review, even if an agreement is not called, a franchise agreement it is one if it contains certain features. Those features include:

- One person (the franchisor) grants another person (the franchisee) the right to carry on a business in Australia supplying goods or services under a specific system or marketing plan.
- The business is substantially determined, controlled, or suggested by the franchisor or its associate.
- The business is associated with a particular trademark, advertising or commercial symbol owned, used, licensed, or specified by the franchisor or its associate.
- The franchisee must make, or agree to make, certain types of payments to the franchisor or its associate, before starting or continuing the business

If your business is a co-operative, your business is not captured under the Code and the review will not consider your input.

Other

VACC will be working collaboratively with the MTAA in making a submission on behalf of all its franchise members.

[Click here to take the survey](#)

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