

## **AADA RELEASES PRE-BUDGET SUBMISSION AND CALLS ON MAJOR PARTIES TO PROTECT AUSTRALIAN BUSINESSES**

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The Australian Automotive Dealer Association (AADA), the peak body for franchised new car and truck Dealers, has today released their pre-budget submission calling on the Federal Government to implement a range of measures in response to Australian Dealers losing confidence to invest in the automotive transition.

Over the past several years the AADA has recorded an increased number of disputes and threats of non-renewal of franchise agreements between offshore car manufacturers and local car Dealers since General Motors terminated the Holden brand in Australia.

“We have seen in recent years the willingness of some manufacturers to drag Australian Dealers through the courts where they are regularly drowned out in legal costs by fortune 500 companies. Constant threats of non-renewal of franchising agreements for Dealers not meeting unrealistic manufacturer demands undermines their appetite to invest and employ Australians,” said AADA CEO, James Voortman.

“The AADA is calling on both major parties to ensure there is a level playing field so that Australian Dealers have the confidence to invest in a nationally distributed Dealer network which has served consumers buying and servicing their vehicles so well for so long,”

“We know that the industry is going through a fundamental change and we are seeing a record number of new entrants emerging in the Australian market. It is essential that in their urgency to set up Dealer networks, these brands must operate under a fair and reasonable framework that governs their relations with Australian Dealers. That is why the AADA is calling on both major parties to commit to protecting Australian businesses,” Mr Voortman said.

The suite of measures the AADA is calling for comes off the back of Australian Mercedes-Benz Dealers heading back to court in March to appeal the Federal Court Decision which ruled in favour of the Stuttgart-based company, which changed its distribution to an agency sales model in 2021.

Mr Voortman, who this week returned from the United States where the key topic of discussion is how the automotive industry will respond to the Trump Administration’s withdrawal of incentives for the uptake of EVs, states “whenever I speak with Dealers across the United States, they are shocked to find out how vulnerable Australian Dealers are to changes in the market. With the emergence of new brands and technology, it is only appropriate that the Australian market now mirrors the protections found in the US.”

# MEDIA RELEASE



In the pre-budget submission, AADA is calling on a range of measures to be introduced such as giving Dealers protections against unfair trading practices and extending the ban of unfair contract terms, which will go some way to addressing the power imbalance between manufacturers and franchised new car Dealers. The AADA advocates that this in turn will encourage new entrants in the market whilst improving competition and productivity but not at the expense of existing Australian businesses.

AADA Pre-Budget Submission can be downloaded [HERE](#).

ENDS.

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