

AADA WELCOMES CONSULTATION ON ELECTION COMMITMENT TO PROTECT FRANCHISED NEW CAR DEALERS

25 February 2026

The Australian Automotive Dealer Association (AADA) welcomes the [announcement](#) from the Albanese Government to commence [consultation](#) to extend the ban on unfair contract terms to all franchisees including our franchised new car dealer members.

The AADA represents nearly 4,000 Australian new car franchisees across the country who are all in commercial relationships with multinational firms. Extending the ban on unfair contract terms to cover the new car sector will go some way to addressing the power imbalance in our sector and help protect the over 68,000 Australians our members employ.

“This consultation is a welcome first step to legislate the Albanese Government’s [election commitment](#) ban on the use of unfair contract terms and importantly, unfair trading practices in the automotive franchising sector,” said AADA CEO James Voortman.

“Several Senate inquiries and Federal Court Cases have shown that franchisors will arbitrarily include unfair contract terms in their contracts, reinforcing the power imbalance which exists in the franchising sector.”

“The automotive industry is going through the most significant transition Australia has seen, with a record number of new brands entering the market and legacy manufacturers struggling to compete.”

“Extending this ban to the franchising sector will ensure that Australian automotive businesses are better placed to stand up to contractual terms that unfairly favour automotive manufacturers at the expense of dealers.”

The AADA will now continue to advocate for the Albanese Government to legislate the remaining election commitment, and the missing piece of the puzzle, the ban on unfair trading practices in franchising.

ENDS.

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