

The Treasury  
Langton Crescent  
Parkes ACT 2600

**Date:** 23 February 2026

Submitted via consultation hub

## **AADA Submission – Response to Unfair Trading Practices – exposure draft**

Dear Treasury,

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to acknowledge the release of the draft legislation issued in February 2026 concerning unfair trading practices affecting consumers.

### **About AADA**

The AADA represents 3,800 new car and truck dealerships across Australia. These businesses range from small, family-owned operations to large, publicly listed enterprises, and are in both regional areas and major cities. Collectively, franchised new car and truck dealerships employ more than 68,000 Australians and generate an estimated \$18 billion in economic activity each year. Annually, these dealerships are responsible for selling over 1.6 million new and used vehicles and undertake more than 44 million service, repair, and maintenance transactions.

Franchised new car dealers across Australia are responsible for the retail sale, financing, servicing and repair of the vast majority of new and used vehicles, including electric vehicles (EVs). Dealers play a critical role at the point of consumer decision-making and are central to the success of Australia's transition to a lower-emissions vehicle fleet.

### **Addressing Unfair Trading Practices and Next Steps**

The AADA supports the Government's objective of strengthening protections against unfair trading conduct and improving market fairness, transparency and confidence for consumers across the country. The AADA appreciates the Government's intent and recognises the importance of businesses embedding the proposed reforms into their operations to support compliance with the coming regulatory requirements.

However, the AADA continues to note that the draft legislation is currently limited to consumer transactions and expressly excludes business to business (B2B) conduct. From the perspective of Australia's franchised automotive dealers, this represents a significant gap in the regulatory framework.



The AADA notes and supports the Government's commitment made in March 2025 to extend protections against unfair trading practices and unfair contract terms to all franchisees, including Australian new car and truck Dealers. The AADA encourages the Government to prioritise this work, particularly where there is a clear imbalance of bargaining power, as continuously demonstrated in the Australian franchised new vehicle retailing industry.

Dealers continue to be subjected to unfair practices at the hands of large multinational vehicle manufacturers. Federal Court appeals have demonstrated how multinational manufacturers leverage existing power imbalances to their advantage, often at the expense of Australian businesses. These practices undermine fair competition and place undue strain on locally operated dealerships, which play a crucial role in the Australian automotive industry and broader economy.

Unfair trading practices which occur in B2B interactions are already regulated for Motor Dealers in New South Wales. There, the power imbalance between franchised new car dealers and larger, more powerful manufacturers resulted in the development of Part 6 of the Motor Dealers and Repairers Act 2013. NSW's leading legislation demonstrates that these practices can be effectively regulated against, and the AADA would urge this framework to be adopted in the development of a prohibition.

While the Franchising Code of Conduct provides important protections, it does not comprehensively address all forms of unfair trading conduct, nor does it capture the full range of commercial relationships dealers engage in across the automotive supply chain. Consequently, dealers remain exposed to conduct that would be prohibited if directed at consumers but is permitted when directed at businesses.

The AADA welcomes ongoing engagement with Treasury on this issue and stands ready to provide practical insights from the automotive retail sector to support the development of a more comprehensive and effective B2B unfair trading practices legislative framework.

Yours Sincerely,



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