



UNFAIR CONTRACT PROPOSALS WILL SEE MORE DEALERS PROTECTED

23 August 2021

The peak body representing franchised new car Dealers applauds the release of proposed legislation to expand unfair contract term (UCT) protections.

After extensive consultation, the Government released an Exposure Draft Bill which, among other changes, increases the eligibility threshold for the protections from businesses employing less than 20 employees to those employing less than 100 employees.

“This is another step forward for Australia’s new car Dealers and if this proposal becomes law, many Dealer groups in rural and regional areas as well as stand-alone franchises will benefit from these protections,” said AADA CEO James Voortman.

“Allowing more Dealers to benefit from UCT protections will hopefully see changes to Dealer Agreements which currently often contain terms which are heavily skewed in favour of their car manufacturer franchisors,” he said.

“We hope that these changes together with recent changes made to Australia’s automotive franchising regime and the protections that already exist for Dealers in New South Wales will see fairer Dealer Agreements start to become the norm,” Mr Voortman said.

“The AADA will continue to pursue the extension of these protections to all franchised new car Dealers due to disparity in size between Dealers and the large car Manufacturers to which they are franchised,” he said.

“Australian car Dealers desperately want strong and respectful relationships with their Manufacturers characterised by agreements which are fair and reasonable,” he said.

“We would like to thank the Assistant Treasurer Michael Sukkar for driving these reforms. It is also important to thank ACCC Chairman Rod Sims, who has consistently advocated for these protections to be extended,” Mr Voortman said.

“These changes will empower Dealers to continue employing Australians, investing in Australia, supporting Australian communities and paying their taxes in Australia,” he said.

ENDS.

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