

# Press Release

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## Mercedes-Benz agency contract in Australia : judgement of the Australian Federal Court

**Australian dealers have sued Mercedes-Benz because of its move to agency sales. Dealers argue they were ‘forced’ to sign new agency model deals and that the move will drastically reduce profits and ‘wipe out years of goodwill with customers’**

Last week, the Australian Federal Court has delivered its judgment and dismissed the claims made by dealers.

However, the judge commented at the hearing that:

- The applicants (Dealers) put forward a powerful and thorough case
- The applicants were successful on many issues of fact but lost on the law
- The applicant's strongest case, although unsuccessful, concerns statutory unconscionable conduct
- The franchising code needed to be modified

CECRA received from its Australian counterpart AADA the [public summary judgment](#) (a more detailed judgement of more than 600 pages will be released soon).

Even if more time is needed to analyse the judgement, according to the CEO James Voortman, this decision is disappointing for the Australian dealers who are considering whether to appeal.

Nevertheless, this case is obviously of great interest not only for all Australian car Dealers but also for all dealers in Europe, and both AADA and CECRA will review the judgement in detail to check the wider implications of this judgement for dealers.

This dossier will be discussed at CECRA's event [#CONNECTEurope](#) which takes place on 14 and 15 September next in Berlin. The event will be attended by more than 230 dealers and repairers. During its Plenary session, agency models will be dealt with in detail as well as during its international roundtable.

Last places available if you are a dealer or repairer member of one of CECRA's associations - [Link to register](#).

### For more information

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