

**From:** sales@jpmotorcycles.com.au <sales@jpmotorcycles.com.au>  
**Sent:** Monday, 13 September 2021 5:25 PM  
**To:** Small Business Franchising <SmallBusinessFranchising@TREASURY.GOV.AU>  
**Cc:** mark.jackson@mtansw.com.au  
**Subject:** Submission re Automotive Franchise agreements  
**Importance:** High

Good afternoon, We are a large rural motorcycle retail business with 3 motorcycle franchises, 2 Japanese & 1 European.

There are huge differences in how the 3 suppliers dictate how our business can operate:

\*First supplier makes no demands upon us re stock we must hold, whether we can take on new franchises etc

\*Second supplier sets a minimum range of stock we must hold, meaning we have to order some stock that we don't want as floor stock, which costs us in interest and encourages discounting, thereby reducing dealer profitability.

\*The third supplier makes business operations very difficult, with a minimum range of stock we must hold, which is enforced and includes models that do not sell well in our area, meaning we have to hold some stock for many months, costing us in interest. This supplier also is very adverse to us taking on any other motorcycle franchises. If we take on a franchise without their permission, they will terminate our franchise with them.

The recent government decision to ban ATVs from entering Australia without factory fitted roll over bars means that none of our present franchises will be able to supply our farming market with ATVs.

There are other ATV franchises we would like to take on to fill this huge hole in our model range, but our third supplier, who will be unable to supply any ATVs, is requiring a 3-5 year business plan with all sorts of projections and forecasts and how the new franchise will affect them in all sorts of ways.

The behaviour of this Franchise Supplier does not allow us to make decisions to grow our business and do the best by our customers.

Franchise suppliers have much more power in the franchise relationship than the franchisee and this power can be, and is, abused.

Thankyou for allowing input into this enquiry.

Kind regards,  
Viki Dalla,  
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