



MEDIA RELEASE

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FOR IMMEDIATE RELEASE

Franchising Code of Conduct Reforms Welcomed

Major reforms to the Franchising Code of Conduct were announced by the Australian Government on 1 June 2021, which are warmly welcomed by the automotive industry and will result in greater equity between franchisees and franchisors.

The much-anticipated reforms are an important step towards getting a better balance of power in the franchising sector, with significant improvements for new car dealer franchisees in relation to disclosure, coverage, adequacy of terms to secure a return on investment, dispute resolution, and compensation requirements.

Further positive developments were announced yesterday, with the implementation of a 'class exemption' that provides exclusion from competition law for small businesses to collectively bargain with customers or suppliers, without them having to apply to the Australian Competition & Consumer Commission (ACCC).

The class exemption allows:

- businesses with an aggregated turnover of less than \$10 million in the financial year prior, to form or join a bargaining group to collectively bargain with customers or suppliers, and
- franchisees and fuel retailers to collectively bargain with their franchisor or fuel wholesaler respectively, regardless of their size, provided the group lodges a one-page notice with the ACCC and with each target business it proposes to collectively bargain with.

Motor Trades Association of Queensland

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MTA Queensland CEO, Rod Camm said, "This is great step forward for our businesses operating franchised new car dealerships and service stations. The process is much simpler and allows for specific protections, resulting in a fairer playing field when negotiating commercial agreements."

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Background:

The Motor Trades Association of Queensland (**MTA Queensland**) is the peak body representing the interests of employers in the retail, repair and service sectors of Queensland's automotive / mobility industry. There are some 15,500 automotive value chain businesses employing in excess of 90,000 people, that generate more than \$20 billion annually. The Association represents and promotes issues of relevance to the automotive / mobility industry to all levels of Government and within Queensland's economic structure. In 2019 MTA Queensland was announced as an ABA100 winner in The Australian Business Awards and a finalist in the Lord Mayor's Business Awards, for Business Innovation.

The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket sectors of the automotive industry through the **MTA Institute (RTO 31529)** - a registered training organisation. It is the largest independent automotive apprentice trainer in Queensland employing experienced trainers who are geographically dispersed from Cairns to the Gold Coast and Toowoomba to Emerald. In the last year, the MTA Institute delivered accredited courses to more than 2,000 students. The MTA Institute is the first trade RTO in Australia to be approved under the ITECA Industry Certification Program and was announced the winner of the Small Training Provider of the Year at the 2019 Queensland Training Awards.

MTAiQ, Australia's first automotive innovation hub established by MTA Queensland in 2017, is an eco-system that supports innovation for mobility and the motor trades.

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