



MEDIA RELEASE

Saturday 12 December 2020
FOR IMMEDIATE RELEASE

Opportunity Lost in Protecting Industry

On Friday 11 December, the Australian Government announced six principles to be used to guide contract negotiations between car dealers and manufacturers. These changes form a separate schedule to the Franchising Code of Conduct for the automotive industry and were intended to improve transparency and communication and fix the significant power imbalance between the two parties.

As the peak industry body for the automotive industry in Queensland, the Motor Trades Association of Queensland (MTA Queensland) strongly sides with the position of car dealers in that the principles are completely unsatisfactory.

The principles do nothing to protect car dealers as they are not mandatory. When Holden manufacturer, General Motors, was asked to engage in voluntary arbitration in relation to their abandonment of the brand in Australia, they chose not to participate. This voluntary code will not work as it allows manufacturers to permanently opt out due to the lack of accountability or consequence.

Without a clear framework through a mandatory code, Australian dealers will struggle to strongly bounce back from the effects of the COVID-19 pandemic. If Government truly wants a fast economic recovery and maximum job growth, they must correct the imbalance by mandating a fair set of rules for everyone.

Group CEO for MTA Queensland Rod Camm said, "The voluntary principles do not clear the air and provide automotive businesses with confidence to invest and grow. The automotive value chain generates more than \$20 billion annually with the dealer division alone employing 60,000 staff. The Government has a responsibility to protect and support this industry.

Motor Trades Association of Queensland

Address: Freeway Office Park, Building 8, 2728 Logan Road Eight Mile Plains QLD 4113 (Postal: PO Box 4530, Eight Mile Plains QLD 4113)
Telephone +61 7 3237 8777 | Toll Free 1800 177 951 | Email info@mtaq.com.au | Website | www.mtaq.com.au

“It is also very disappointing to see that the principles will not be reviewed for another two years. Australia has lost many dealerships this year, directly related to the actions of manufacturers, so this is a long time to continue witnessing the power imbalance and the inevitable results which will impact the price consumers pay for vehicles and the economy.

“Australia has done so well through the pandemic due to strong decision making and government leadership, and we now need that strength to cut through the noise and help create business opportunities for new car dealers.”

ENDS

For more information:

Lysa Dugandzic | General Manager - Marketing & Communications | 0428 510 163 |
lysad@mtaq.com.au

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.

Motor Trades Association of Queensland

Address: Freeway Office Park, Building 8, 2728 Logan Road Eight Mile Plains QLD 4113 (Postal: PO Box 4530, Eight Mile Plains QLD 4113)
Telephone +61 7 3237 8777 | Toll Free 1800 177 951 | Email info@mtaq.com.au | Website | www.mtaq.com.au