

FOR IMMEDIATE RELEASE
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MTAQ Welcomes New Franchising Code of Conduct, Calls for Broader Protections and Continued Action

The Motor Trades Association of Queensland (MTA Queensland) welcomes the Australian Government's recent announcement of a new Franchising Code of Conduct (the Code), set to take effect on 1 April 2025. This reform represents a step forward in addressing the need for fairer relations between franchisees and franchisors within the automotive retail sector.

"We welcome the Government's commitment to promoting a more balanced approach within the franchising sector. The expanded scope of the Code, which previously applied only to dealers with new vehicle dealership agreements, now covers a broader range of automotive businesses. This is a positive development for our members," said Rod Camm, CEO of MTA Queensland.

MTA Queensland, as part of the national Motor Trades Association of Australia (MTAA) network, has advocated for these important reforms on behalf of its members across Queensland. This includes dealer businesses who have long called for fairer treatment and more transparent relationships with franchisors.

While the introduction of the new Code is a significant step in the right direction, MTA Queensland stresses the importance of extending these protections to include motorcycle, truck, farm, and industrial machinery dealers - as well as franchised repair businesses.

"MTAA has long been advocating for all automotive dealers, not just new vehicle dealers, to be afforded the same protections outlined in the Code. The automotive sector is evolving rapidly, and we need to ensure that all businesses, including repairers and independent dealers, are protected against unfair practices," said Camm. "It is essential that the new Code reflects the diversity and challenges of today's market, including the pressures of transitioning to new business models and the shift toward electric vehicles."

The recent shift by Honda Australia to an 'agency' model highlighted the power imbalance between franchisors and franchisees, resulting in the termination of a significant portion of its dealer network midway through their agreements.

"Instances like the Honda situation highlight the significant risks and costs faced by automotive dealers," said Camm. "These are predominantly small to medium-sized businesses that are exposed to undue risk and financial hardship due to changes in business arrangements they have little control over. The Code must offer greater safeguards against such opportunistic behaviour."



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MTA Queensland, in collaboration with MTAA, urges the Australian Government to continue developing solutions that not only protect automotive dealers but also promote a fair and competitive environment in the face of rapid industry transformation.

“The new Code must ensure that all dealers - whether they sell new vehicles, motorcycles, trucks, or offer repair services - are protected from unfair franchisor practices. The market is changing rapidly, and we must make sure the Code provides lasting protection for the businesses that power the automotive retail sector,” concluded Camm.

MTAA continues to advocate for these crucial changes and has submitted further recommendations to the Government to ensure that the Franchising Code of Conduct remains robust and fit for purpose.

For more information, please refer to the MTAA's recent submissions to the Government:

- [MTAA Response to Franchising Licensing Regime Consultation](#)
- [MTAA Response to Franchising Exposure Draft](#)

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For more information:

Jade O'Shea | Senior Marketing & Communications Coordinator | 3237 8721 | jadeo@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 industry. MTA Queensland has been performing its vital representative role for the automotive industry since 1929. In Queensland there are some 16,000 automotive businesses employing more than 90,000 people, that generate more than \$7.24 billion to the state economy annually. The automotive industry is estimated to contribute \$37 billion to the Australian economy each year. The Association represents and promotes issues of relevance to all levels of government. 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 **MTA Institute (RTO 31529)** is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket sectors of the automotive industry. The MTA Institute is the largest independent automotive training provider 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 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 ecosystem that supports innovation and research for the motor trades.

MOTOR TRADES ASSOCIATION OF QUEENSLAND

Freeway Office Park, Building 8, 2728 Logan Road Eight Mile Plains QLD 4113
(Postal: PO Box 4530, Eight Mile Plains QLD 4113)



+61 7 3237 8777



Toll Free 1800 177 951



info@mtaq.com.au



www.mtaq.com.au

