

FOR IMMEDIATE RELEASE
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MTAQ Welcomes Key Reforms to Strengthen the Franchising Code of Conduct and Protect Automotive Dealers

The Motor Trades Association of Queensland (MTA Queensland) welcomes the Federal Government's decision to strengthen the Franchising Code of Conduct, alongside additional funding to the ACCC to ensure effective enforcement of the Code. This development follows the dedicated advocacy of MTA Queensland and our partners at the Australian Automotive Dealer Association (AADA), who have long pushed for stronger protections against unfair contract terms and trading practices for businesses under the Code, including automotive dealerships and repairers.

As the automotive industry navigates a period of profound transformation - fueled by the global shift toward new technologies and business models - these reforms provide crucial protections that will level the playing field for dealers, allowing them to make informed business decisions with greater security and confidence.

Rod Camm, CEO of MTA Queensland, expressed strong support for the reforms, recognising them as an important step in addressing the long-standing power imbalance between automotive dealers and the global manufacturers to which they are franchised.

"Today's announcement is a major win for the Australian automotive industry," said Mr Camm. "The Government's commitment to fairness and accountability will provide essential protections for automotive businesses, ensuring they are no longer disadvantaged when competing against large multinational corporations. These reforms will restore balance and lay a solid foundation for local businesses to flourish."

"The exit of Holden from the Australian market, combined with ongoing legal battles between dealers and manufacturers such as Honda and Mercedes-Benz, has highlighted the urgent need for stronger protections," he continued. "Dealers deserve fair treatment, reasonable contractual terms, and the ability to make business decisions with confidence. These reforms are a direct response to that need."

Mr Camm also emphasised the importance of bipartisan support to ensure the reforms' long-term success. "For the automotive sector to thrive, certainty and stability are crucial. Businesses must have the confidence that consistent, long-term policy will be in place to support their investment. MTA Queensland urges all political parties to support these reforms, ensuring a strong and sustainable future for the industry."



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The reforms go beyond improving franchising practices; they are part of a broader effort to address systemic power imbalances within the automotive industry. With the Government's support, Australian businesses are now better equipped to compete fairly and effectively on the global stage. This marks a pivotal moment for both the sector and the future of Australian businesses.

MTA Queensland also strongly supports the Government's decision to fast-track the review of the New Vehicle Efficiency Standard (NVES) compliance point. Shifting compliance from the point of import to the point of sale will prevent manufacturers from offloading excess stock to meet NVES targets, thereby ensuring dealers are not unfairly burdened with unsold inventory.

"Shifting emissions compliance to the point of sale is a positive and necessary step," Mr Camm said. "It ensures dealers aren't pressured to accept excess stock, allowing them to operate in a financially sustainable way. This change will benefit both dealers and consumers by fostering more responsible business practices."

Together, these critical reforms will enable Australian automotive businesses to remain competitive, shield them from unfair practices, and encourage greater investment in the sector. Most importantly, they will lay a strong foundation for a sustainable and thriving automotive industry well into the future.

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For more information:

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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 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.

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