



# MTAA

PO Box 6298 Kingston ACT 2604 \* 02 51008239 \* [admin@mtaa.com.au](mailto:admin@mtaa.com.au) \* [www.mtaa.com.au](http://www.mtaa.com.au)



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## MEDIA RELEASE

### **MTAA WELCOMES THE IMPLEMENTATION OF FRANCHISING REFORMS TO BETTER PROTECT NEW CAR RETAILERS AND CONSUMERS**

**The Motor Trades Association of Australia (MTAA) today welcomed the announcement by Industry Minister Karen Andrews that new regulations for new car franchised motor dealers will come into operation from next Monday 1 June 2020.**

The introduction of a separate schedule for new car retailers to the Franchising Code of Conduct will assist in addressing a power imbalance between car manufacturers and dealers and provide better protections for these critical automotive businesses and consumers.

MTAA welcomes the commitment and work of the Government and congratulates Industry Minister Karen Andrews and her Department in achieving this outcome.

MTAA CEO Richard Dudley said the regulations are significant and will contribute to addressing significant problems being experienced by new car retailing franchisees in the areas of capital expenditure requirements, adequate time to secure returns on substantial investments, better clarity and protections for end of franchise obligations and improved resolution mechanisms for disputes.

‘The decision of the Government to strengthen the Franchising Code of Conduct through the development and implementation of a specific automotive retailing schedule, and its timely introduction, comes at a time of considerable upheaval, stress and significant market impacts,’ Mr Dudley said.

Mr Dudley said this regulatory response follows continuous representations on behalf of new car retailers for more than a decade including input into reviews of the Franchising Code and the Australian Consumer Law and more recently the Australian Competition and Consumer Commission (ACCC) new car retailing market study and a Joint Parliamentary Committee investigation into Franchising.

MTAA will monitor the effectiveness of the new regulations over coming months and continue to work with Government to make further improvements to the schedule and Government’s consideration of the wider review of the broader Franchising Code of Conduct when the final report and recommendations of this review are provided.

MTAA will strengthen its advocacy for the earliest inclusion of motorcycle and farm machinery dealers into the schedule to address identical concerns and issues with franchising.

‘MTAA understands that the almost identical concerns of our motorcycle and farm and industrial machinery retailers have been recognised and we have been assured these industries concerns will be addressed as part of an early review of these regulations,’ Mr Dudley said.

**Media Contact: Richard Dudley MTAA CEO 0412146828**

### **MTAA National Industry Associations**

