

Media Release

MTAA: Franchising Code Review an opportunity to create fairness

Canberra 2 October 2023 – The Motor Trades Association of Australia (MTAA) today lodged a submission in reply to the Federal Government’s 2023 Franchising Code Review.

Minister for Small Business, The Hon. Julie Collins MP announced a comprehensive review of the *Competition and Consumer (Industry Codes – Franchising) Regulation 2014 (Cth)* (the Code) on 15 August 2023 and appointed Dr Michael Schaper to lead the review.

MTAA has collaborated with the Victorian Automobile Dealers Association, Farm and Industrial Machinery Dealers Association, the Australian Automotive Dealers Association, Australian Small Business and Family Enterprise Ombudsman and the Australian Chamber of Commerce and Industry to reach best case outcomes for retail automotive franchising.

“The Code Review will evaluate previous franchising reforms and bring several reviews under one umbrella, including statutory reviews of the Franchise Disclosure Register and specific new car dealership protections contained within Part 5 of the Code,” said MTAA CEO Geoff Gwilym.

The review will consider including farm and industrial, motorcycle and truck dealers under Part 5 of the Code.

“The entire Australian franchising system is now under review. As a result, franchisees across the nation are nervous. They require layers of protection. This is especially important for the farm and industrial machinery, motorcycle, truck and mechanical repair franchise sector,” said Mr Gwilym.

“New car dealers often receive public attention with franchising but, behind the scenes, the vital agricultural, truck and motorcycle sectors have experienced unfair franchisor behaviour, which has cost livelihoods.”

MTAA’s key responses to the Franchising Code Review:

- Extend the Franchising Code to cover motorcycle, farm machinery, industrial machinery and truck dealers
- Extend the protections offered to dealers under the Franchising Code to franchise automotive aftermarket repairers
- Mandate a service and parts agreement that relates to the motor vehicle dealer agreement that falls within the protective umbrella of the Franchising Code
- Amend the Franchising Code to recognise the right of dealers to compensation for established goodwill
- Dealers should receive a minimum five-year term for their dealer agreements to provide more certainty regarding a return on their investment.

“MTAA calls for a fair go for all automotive industry franchisees. We hope the Code Review will deliver that for all,” said Mr Gwilym.

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