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Media Release

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Motor Trades Association of Australia and Members secure fairer treatment for Australia's car dealers and consumers

The Motor Trades Association of Australia (MTAA) and State and Territory Members Associations describe strengthened regulations announced today by the Commonwealth Government a game changer.

The MTAA and Members have worked tirelessly for more than two decades to detail the inadequacies of current competition and consumer laws and the Franchising Code of Conduct to address the growing power imbalance between internationally headquartered car companies, their Australian car dealer networks and Australian consumers and communities.

MTAA says today's announcement to increase penalties to up to \$10million for car manufacturers found guilty of systemic misconduct, making current voluntary principles compulsory obligations, and ensuring 'agent' type agreements are covered by franchising and competition regulations, provide increased protections for Australian car retailing businesses and their thousands of employees.

MTAA CEO, Richard Dudley thanked the Prime Minister Scott Morrison, Employment and Small Business Minister Senator Michaelia Cash and Industry Minister Karen Andrews, for listening to and working with MTAA and Members to develop and secure the most comprehensive package of reforms ever undertaken to address the power imbalance with car manufacturers.

'Today's announcement combined with reforms announced last year securing a specific schedule of amendments to the Franchising Code regulations for car dealers, other substantial changes to the Franchising Code, further improvements to Unfair Contract Terms, and Collective Bargaining, sets the foundations for fundamental reform of car manufacturer/ distributor and dealer relationships.

'The role of Parliamentary Inquiries into Franchising and then the conduct of General Motors Holden and the broader car manufacturer/dealer relationship were also critical in helping uncover the behaviours and conduct of some international car companies and their scant regard for our laws and rules for fairness and equity, 'Mr Dudley said.

The Commonwealth Government, their agencies, and departments and MTAA and Members worked in partnership to resolve these long-standing and critical concerns for dealer members and wider automotive sector industries.

The willingness to tackle these longstanding competition and consumer concerns and the critical support and stimulus initiatives to recover from Covid-19 are already realising up to a 40% increase in automotive apprentices from pre-COVID-19 levels.

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MTAA Member Associations

