

Media Release

Franchising Review - Government response needs to include an Automotive Industry Code

8 February 2024

The Motor Trades Association of Australia (MTAA) welcomes the release today of the independent review of the Franchising Code of Conduct. The release of the review comes at the same time as the MTAA Board and MTA and VACC CEOs met with Ministers, Shadow Ministers, and MPs in Parliament House in Canberra over the last two days.

MTAA Chief Executive Officer, Matt Hobbs said, “Dr Michael Schaper’s review of the Franchising Code of Conduct comes at a pivotal moment for Australia’s automotive industry.”

Mr Hobbs added, “The review helps further the conversation and following the Federal Government’s proposed Fuel Efficiency Standard, the importance of meaningful automotive franchising reform to protect Australian businesses from the proven power imbalances found in the industry, is critical.

The MTAA will continue to advocate Government and the opposition for the critical need to develop an Automotive Industry Code to ensure a fair transition to protect locally and often family-owned dealerships that are under growing pressure from global automotive manufacturers.”

Matt Hobbs said “Dr Schaper’s review is a solid document, and we welcome the Service and repair work should be explicitly captured by the Code. It is important to note that the Independent Review was undertaken prior to the release of the Government New Vehicle Emissions Standard.

The NVEVs will accelerate the transition of the Australian automotive industry to more fuel-efficient vehicles. It is well known that not all global car companies will be able to respond at the same rate across the world. There is a critical need to ensure that Australian businesses are supported with policies and programs that ensure a fair and just transition.

Matt Hobbs said “the speed of the transition to low-emission vehicles in Australia changed gears on Sunday. The Government needs to ensure that the final legislated New Vehicle Efficiency Standard is supported by a suite of transition policies including an automotive industry code, skills and training and support for the whole supply chain including measures that address the relationship between body repairs and insurance companies.”

The MTAA provided its submission to the review in late 2023 which can be found here:
<https://www.mtaa.com.au/images/docs/submissions/2023/2023-MTAA-Franchising-code-review-submission.pdf>

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