24 September 2021

MV Scheme Rules Consultation, Motor Vehicle Service and Repair Information Scheme Team Consumer Safety and Sustainability Unit Competition and Consumer Branch Market Conduct Division The Treasury, Langton Crescent, Parkes ACT 2600



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Via Email: <u>repairinfo@treasury.gov.au</u> c.c. Megan Trudgian, Director Consumer Safety and Sustainability Unit, <u>Megan.Trudgian@treasury.gov.au</u> Lauren George, Director Consumer Safety and Sustainability Unit, <u>Jauren.george@treasury.gov.au</u>

Dear MV Scheme Rules Consultation team,

The Motor Trades Association of Australia Limited (MTAA) and Members thank the Treasury Motor Vehicle Service and Repair Information Scheme team for the opportunity to provide a submission on the Exposure Draft/Explanatory Memorandum of the Competition and Consumer (Motor Vehicle Service and Repair Information Sharing Scheme) Rules 2021.

MTAA recognises the complexities and work involved in the development of the Scheme, enabling legislation and Rules that guide the operations and conduct of the Scheme.

MTAA has engaged with Member Associations and, in some cases, individual groups, including the Australian Automotive Repairers Association (AARA), to canvass views and receive input on the Scheme Rules as presented.

Generally, there are no significant criticisms or concerns with the Draft Scheme Rules and their application as presented.

MTAA is a unique peak not-for-profit automotive sector organisation with the State and Territory Motor Trades Associations and Automotive Chambers of Commerce as Members.

MTAA Member organisations serve thousands of automotive businesses constituents representing the entire automotive supply chain providing unparalleled capacity to consider and address policy and regulation impacting the sector. This submission draws on materials and input provided by State and Territory Associations and their automotive businesses. This submission complements any separate submissions by MTAA Members.

Please contact Mr Richard Dudley, CEO MTAA, if the PC team requires further information or clarity regarding this submission at richard.dudley@mtaa.com.au or 0412146828.

Yours Sincerely,

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Richard Dudley Chief Executive Officer Motor Trades Association of Australia Limited



MTA WA









Executive Summary

- The Motor Trades Association of Australia Limited (MTAA) and Member Associations welcome the Exposure Draft of the Competition and Consumer (Motor Vehicle Service and Repair Information Sharing Scheme) Rules 2021.
- The Draft Scheme Rules are another significant milestone in delivering a world-leading mandated nationwide Scheme to ensure access and provision of motor vehicle service and repair information to the Australian automotive industry and consumers.
- Generally, and due to the extensive consultations conducted by the Treasury team, the draft Scheme Rules did not draw any significant criticisms or concerns from MTAA's Membership or constituents and, therefore, MTAA supports the draft proceed as presented.
- MTAA understands most of its automotive business constituents are not aware of the detail of considerations and consultations undertaken by Treasury including with an expert panel and stakeholders, on almost all the issues provided to MTAA as feedback and input. For example, the difficulties aligning the Scheme timeframes to existing jurisdictional requirements. Therefore, the positions adopted in the Draft Rules MTAA accepts are the best outcome available at this time and supports their inclusion.
- Feedback also centred on definitional interpretations and while MTAA is thankful for their provision, understands limitations the Commonwealth has through the Draft Rules on substantive changes.

1. Recommendation

MTAA respectfully requests that:

a) The Scheme Rules proceed as presented in the draft.





2. Detailed Considerations

Alignment with jurisdiction requirements

- As the Treasury Team is aware, only two states, Western Australia and New South Wales possess a mandated licensing regime for automotive repair businesses and individuals. MTAA has received input from those States that there may be benefits and avoidance of unintended consequences and potential increased burden to repairers if the Scheme timeframes align better with these two States existing regulatory requirements.
- MTAA understands the Treasury Department team has already closely examined the issue of timeframes and alignment and jurisdictional systems and processes.
 MTAA also understands the Draft Scheme Rules reflect the best available outcome given the difficulties in balancing Commonwealth and State requirements and substantial differences where they exist.
- MTAA provides the following feedback from its West Australian member and their constituents for the record. Should opportunities arise in the future for improved alignment between Scheme timeframes and jurisdiction requirements, the Scheme Adviser and Department might wish to consider these.
 - In Western Australia, a Motor Vehicle Repair Business (MRB) Licence is regulated by the Department of Mines, Industry Regulation and Safety (DMIRS). Consumer Protection is legislated by the Motor Vehicle Repairers Act 2003 and Regulations of 2007. A licence search for the business or individual is available to the public and enables identification of the licence number, business entity, trading name as well as licence status and expiry date.
 - o See link here: <u>https://www.commerce.wa.gov.au/consumer-</u> protection/consumer-protection-licence-and-registration-search
 - The draft scheme rules request an individual repairers' licence or Motor Vehicle Repairers Certificate (MRC) as referred to in WA as a pathway to gaining access/approval to manufacturers safety and security information.

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- The scheme rules state that the individual holds a repairer licence issued or renewed no earlier than two years before the request. In WA, an individual repairer licence is currently issued once, only after the application has been reviewed.
- The application will include a police clearance and good character check for the individual, this licence does not need to be renewed, and no further police checks are carried out.
- The individual must notify DIMRS if they are charged with an offence or cease working in the industry. A request for a police clearance from individuals would provide no benefit to WA under the current licensing system for the automotive industry.
- However, an automotive business repairers' licence or MRB must be renewed every three years, and the owner, director/s or partners of the business must provide current police clearances for all that own or have a registered interest in the business. The MRB ensures that the applicant has satisfied the following criteria: being fit and proper and a person of good character, having premises (including any mobile premises) suitable for the carrying out of repair work and having sufficient resources to carry on the business, including tools and equipment.
- See link here: <u>https://www.commerce.wa.gov.au/publications/motor-vehicle-repairers-licensing-faq</u>
- As stated earlier, MTAA understands business versus individual and state licensing regimes versus those who have none have all been well canvassed. MTAA is comfortable with the Draft Rules as presented.
- Ideally, MTAA would like a nationally harmonised and consistent licensing scheme to license repair businesses and professional trades employed by them. Still, it understands this outcome is problematic and likely to take years, if possible, at all.
- However, mindful of the issues raised by its WA member constituents, MTAA suggests the Scheme Adviser and Department remain aware of the issue and look at any opportunity in the future that might lend itself to improved alignment of requirements.

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Definitions:

Safety information criteria

- MTAA received feedback from Members and their repairer constituents concerned about interpreting the Scheme Rules criteria for assessing and using safety information.
- Industry participants' feedback to MTAA sought to include requirements for Scheme RTOs or other Training providers to provide Hydrogen training in the draft Rules now rather than later. While it was understood that training modules for such propulsion systems are not yet available, feedback was pragmatic in having the rule now.
- MTAA notes the Explanatory Memorandum (EM) provides further clarity on this matter, and the rationale behind it and MTAA is satisfied with the approach outlined in the EM.

Other Scheme Vehicles

 MTAA understands that the focus and priority must be on establishing the Scheme and its operations by 1 July 2022. However, the Federation suggests an early task by the Department, or the Scheme Adviser, or both, is to examine and report the potential for the Scheme's extension to other vehicle types (trucks, motorcycles, agricultural equipment, etc.) A rationale for this suggestion is primarily driven by a recent ACCC report recommendation for agricultural machinery maintenance to be included in the Scheme.

Conclusion:

 MTAA and Members and their repairer constituents thank the Department for their ongoing attention to the efficient and effective development of the Scheme and look forward to reaching further milestones over coming weeks and months.

End of Submission

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