



Small
Business
Commissioner

Submission to Statutory Review of the Motor Dealers and Repairers Act 2013

August 2020

Introduction

The NSW Small Business Commission (NSWSBC / Commission) appreciates the opportunity to provide feedback to NSW Fair Trading on the Statutory Review of the *Motor Dealers and Repairers Act 2013* (the Act).

We wrote recently to NSW Fair Trading in relation to the Motor Dealers and Repairers Regulation 2014 (the Regulation) and were encouraged to provide feedback via this consultation.

The main purpose of our submission is to draw attention to preliminary research we conducted that indicates the Regulation requires certain tradespeople to have completed courses that are not widely delivered in NSW.

We encourage the Statutory Review to consider whether the qualification requirements specified for tradesperson's certificates listed at part 6 clause 36 of the Regulation remain appropriate and continue to meet industry expectations, as well as regulatory intent.

About us

The NSWSBC advocates on behalf of small businesses across the State and helps to resolve issues affecting them by providing strategic advice and free to low cost mediation services. Small business is the engine room of the NSW and national economies, with NSW boasting the highest number of small businesses in Australia.

The NSWSBC has worked with the motor vehicle repair industry to amend the Motor Vehicle Insurance and Repair Industry Code of Conduct (Code). The Commission continues to have an informal role as a standing neutral Code Administration Committee member by invitation, supported by repairer and insurer representatives.

Background

The Act reflects a commitment to reduce red tape and comprises a consolidation of the *Motor Dealers Act 1974* and *Motor Vehicle Repairers Act 1980*, and amendments to occupational licensing requirements through changes to the Regulation.

The Regulation defines classes of repair work and specifies qualification requirements for workers that perform it. Prior to this, unqualified individuals may have been legally able to perform repair work.

The purpose of regulating motor vehicle repairers in NSW is to reduce safety risks to the public and consumers by ensuring motor vehicle repair work is only carried out by those considered qualified.

Preliminary findings relevant to the Regulation

NSW tradesperson's certificate requirements

1 Qualifications

Applicants for a tradesperson's certificate must possess a Certificate Level III qualification, particular to a relevant class of repair work. For example:

- Body Makers require a Certificate III in Automotive Manufacturing Technical Operations - Bus, Truck and Trailer.
- Transmission Specialists require a Certificate III in Automotive Drivetrain Technology.

2 Course availability sample

In NSW as at late July 2020, only TAFE NSW was registered to deliver the required training for Transmission Specialists – but it *did not* offer this course. We found no private registered training organisation (RTO) offering the training. TAFE Queensland appears to be the only training provider in Australia offering this course.

Also in NSW as at late July 2020, only TAFE NSW was registered to deliver the required training for Body Makers. This course was offered at just three campuses: Glendale; Wagga and Wetherill Park. We found no private RTO offering the training.

3 Demand for qualifications

Information available on Body Makers and Transmission Specialists suggests enrolment volumes and apprenticeship completion numbers for these specialisations have been low in recent years. The changing nature of vehicle manufacture and repair might go some way to explaining this. These issues may also influence the relatively limited availability of training courses.

Industry sources informally estimate there may be 10 to 20 businesses in the State involved with body making, and less than 100 involved in transmission repair. These numbers suggest demand for Body Maker and Transmission Specialist certificates is relatively modest.

We note, however that the Regulation specifies *11 categories* of tradesperson's certificates, and that Motor Mechanics are listed as the second-most prominent trade experiencing national skills shortages in the recently published NSW Productivity Commission Green Paper.

4 Industry views on qualification requirements

Some industry participants have expressed dissatisfaction to us in relation to the licencing regime, with reference to the qualification requirements, availability of training courses, and recognition of prior learning (RPL) practices.

Other industry sources have told us they consider the licencing regime necessary and that most participants in NSW favour it, albeit with some contention from business operators concerning fees, renewals, and lack of skilled workers.

Stakeholders we've spoken to appear to welcome enhanced recognition of Certificate II as the appropriate level of qualification for certain classes of repair work.

Findings

- NSW and WA appear to be the only Australian jurisdictions currently applying licensing requirements for vehicle repairers.
- The Regulation requires tradespeople to have completed courses that are not delivered in some regions of NSW.
- Some regional small businesses performing repair work may struggle to comply with the Regulation, given limited course delivery or RPL requirements.
- Neither TAFE NSW, nor any private registered training organisation, appears to offer certain courses required under the Regulation in NSW.

Recommendations

That the Statutory Review consider:

1. Whether the qualification requirements specified for tradesperson's certificates listed at part 6 clause 36 of the Regulation continue to meet industry expectations and regulatory intent or whether arrangements in other states and territories might more adequately address industry requirements.
2. The accessibility of these courses across the state to meet industry requirements.

Further information and contacts

For further Information or clarification on issues raised in this document, please contact:

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