

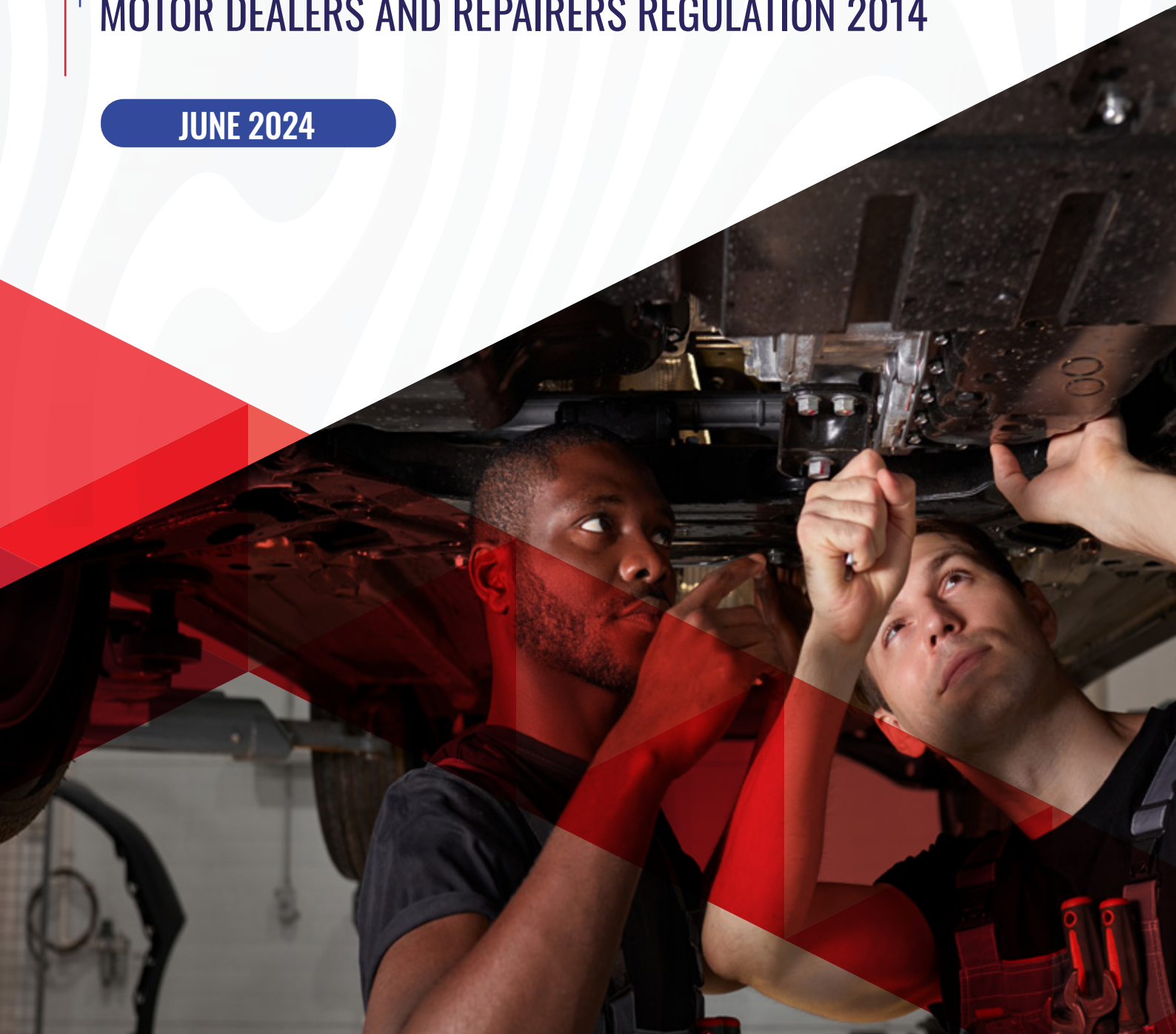


AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION

NSW FAIR TRADING PROPOSED CHANGES TO REPAIR CLASSES AND QUALIFICATIONS

MOTOR DEALERS AND REPAIRERS REGULATION 2014

JUNE 2024



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FOREWORD

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to make a submission in response to The NSW Fair Trading – Proposed Changes to Repair Classes and Qualifications: Motor Dealers and Repairers Regulation 2014.

The AADA is the peak automotive industry body representing Australia's franchised car and truck Dealers. There are 3,179 new vehicle dealerships in Australia employing more than 61,000 people directly, including around 5,500 apprentices, and generating \$73.9 billion in turnover and sales with a total economic contribution of over \$18 billion.

In this submission, the AADA is responding to the NSW Fair Trading Consultation Paper which canvasses proposed changes to repair classes and qualifications under the Motor Vehicle and Repairs Regulation 2014.

The AADA does not agree with proposals to create new classes of work and additional qualifications for automotive technicians in NSW and highlights that franchised new car Dealers performing work on EVs are extensively trained by the vehicle manufacturer as a requirement to sell, service and repair these vehicles under their franchise agreement.

The NSW Motor Dealers & Repairers Act (MDRA) regulations are a powerful legislative intervention and were originally established to control the licensing of businesses, certification of workers, and training qualifications for the automotive trade in NSW.

It is imperative that the Office of Fair Trading fully considers the implications of adding further regulations or amending the existing regulations and the AADA would welcome further consultation or direct engagement with our industry in order to comprehensively assess

implications for industry and consumers as a result of new qualifications requirements. In our view, there is no evidence to support the case for further occupational regulation of automotive technicians currently employed by franchised new car dealers.

The consequences for the availability of skilled labour, which is in severe shortage, must be considered and ensure that any changes to MDRA Regulations should not contribute towards or create further difficulties in hiring skilled automotive technicians.

The AADA accepts regulation of vehicle sales and repairers in NSW is essential to ensure that automotive businesses are operated transparently from legitimate premises by fit and proper people. However, careful attention should be paid to the regulatory impact of setting qualifications for individuals which may restrain employment opportunities or entangle trades with an unnecessary training burden that does not benefit on-the-job performance and boost productivity.

Compulsory training stipulated by regulation which duplicates training already provided by employers should be avoided and manufacturer training already completed by automotive technicians in Dealerships should be recognised as an equivalent level of qualification.



James Voortman
Chief Executive Officer



AUSTRALIAN
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ASSOCIATION

DEALERNOMICS

CONTRIBUTION OF NEW CAR DEALERS TO NSW ECONOMY

DEALER

WAGES

\$2.3 BILLION
ANNUALLY

TOTAL

ECONOMIC CONTRIBUTION

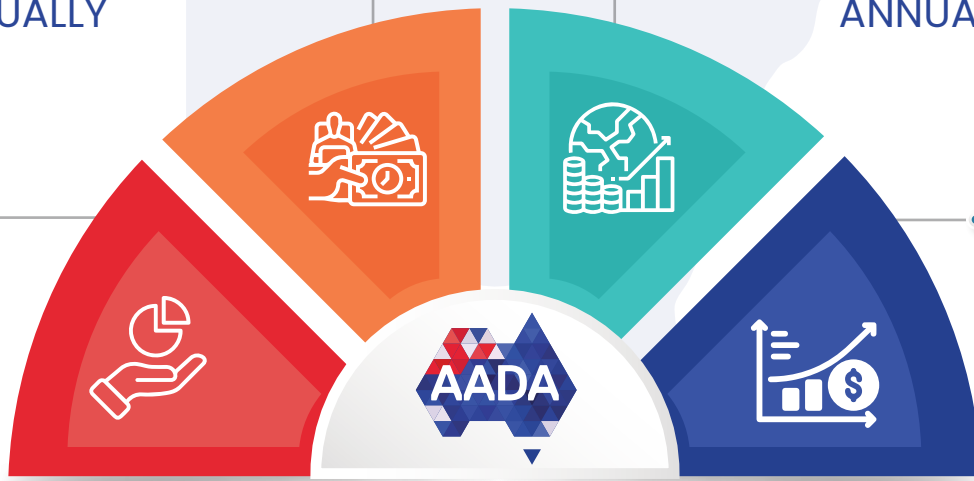
\$5.6 BILLION
ANNUALLY

TAX & DUTY CONTRIBUTION

\$1.9 BILLION
ANNUALLY

SALES /TURNOVER

\$22.8 BILLION
ANNUALLY



DEALER EMPLOYEES

17,207



APPRENTICES

1,702



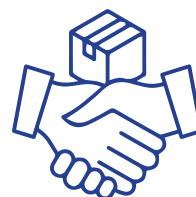
TRAINING
INVESTMENT
\$9.9 MILLION
ANNUALLY



WORKSHOP JOBS
COMPLETED
**OVER
15 MILLION**
ANNUALLY



CUSTOMER FINANCE
CONTRACTS
FACILITATED
146,777
ANNUALLY



NUMBER OF
DEALERSHIPS
1,009
TOTAL

AADA RECOMMENDATIONS

1. Repair classes should NOT be divided into light and heavy categories for EVs or ICE vehicles as this will restrict the movement of labour between classes.
2. OEM provided training on electric or hybrid vehicles should be recognised as an equivalent qualification to any required EV qualification.
3. A level 1 EV depower and reinitialise repair class be added to existing tradesperson certificates.
4. Locksmithing and tyre-fitting should NOT be introduced as new repair classes.
5. The inclusion of air-conditioning work should be clarified as within the scope of work for automotive electricians, as well as light and heavy ICE vehicle mechanics.
6. Certificate III in Light Vehicle Mechanical Technology is retained as a prescribed qualification for underbody work.

AADA GENERAL COMMENTS

A critical element of the 12 proposals is the introduction of new trade classifications for automotive technicians, additional required electric vehicle (EV) training, and separated light and heavy vehicle Motor Mechanic classifications.

For franchised new car Dealers, a key issue in the proposals is the requirement that existing licensed motor mechanics undertake additional compulsory training so that they may be permitted to continue to work on EVs. As detailed throughout this submission, franchised new car Dealer technicians undertake mandatory and extensive EV training provided by the manufacturer for the vehicles that they will be performing services on. The proposal to require motor mechanics to undertake mandatory EV training essentially duplicates the training already provided by manufacturers and the reasoning behind introducing this requirement is not evidence based.

The Consultation paper, states “A national survey of 2,000 Australians revealed that 17% of respondents identified a shortage of EV mechanics as a significant barrier to purchasing an EV”. The AADA considers that this is more of an education issue rather than a skill shortage issue. While we do acknowledge that there is a current shortage of skilled workers in the automotive industry, this is no different to many other industries experiencing the same thing as a result of many external factors.

Franchised new car Dealers are often the first point of call when purchasing an EV, these same businesses will also be responsible for conducting service and repair work as provided for under a vehicle’s warranty. As such, these Dealers are very well equipped to provide a range of mechanical services for EV owners. The lack of awareness of the extensive network of qualified EV technicians could stem from the fact that brands with large volumes of EV sales such as Tesla, do not have a visible and easily accessible network of authorised repairers in the same fashion as highly visible franchised new car Dealers.

The Consultation Paper also states, “recent reports highlight the trend of EVs being written off after minor accidents due to a scarcity of skilled mechanics.” The AADA disagrees with this conclusion and submits that there is extensive research on the subject of EVs being written off demonstrating that this is due to a range of issues such as:

- Often there is no way to repair or assess even slightly damaged battery packs after accidents.
- Cost of repairs are extensive and prohibits the ability to repair these vehicles as opposed to writing them off.
- Batteries sometimes form part of the structural integrity of the vehicle and make their replacement unviable.

The AADA does not support most of the 12 proposals and it is of considerable concern that changes to classifications may be implemented hastily. We recommend that any changes that are introduced occur with a significant transition period. Five years of lead time should be the minimum for compulsory training and changes to classifications that would change the qualification requirements for automotive technicians. Dealers will move to train and attract workers with the qualifications and abilities to undertake work at the required standard because it is obviously in the best interests of Dealers to employ automotive technicians who know how to service and repair vehicles. Further regulation will not change this imperative which drives the repair industry.

COMMENTARY ON THE 12 PROPOSALS

Proposal 1: Introduce two new repair classes: light electric vehicle (EV) motor mechanic, and heavy EV motor mechanic. Anyone conducting motor mechanic repair work on EVs must be qualified and certified to perform the scope of work for one or both of these new repair classes.

Australia's franchised new car Dealer network has provided vehicle repair services to Australians for many decades. Over this time, vehicles have undergone dramatic change with the introduction of different drivetrains such as hybrids, LPG, LNG, dual fuel vehicles and recently emerging technologies; battery electric and plug-in electric hybrids (PHEVs). Throughout all these technological changes Dealers in New South Wales, and all other States and Territories, have continued to safely provide services to these vehicles for the community through continuous training of automotive technicians.

The AADA considers that the depth of training undertaken by automotive technicians, and the care taken by Dealers to ensure they meet the requirements of vehicle manufacturers, franchise conditions, and their responsibilities under consumer laws and health and safety laws is currently meeting the required standard expected by the community. Dealers must ensure that automotive technicians are trained to work on vehicles safely and do so by engaging trained people and arranging ongoing training. Well trained automotive technicians are the best placed people to continue this vital function through Australia's transition to low and zero-emission vehicles.

The AADA also sees no reason to divide the licensed occupation into two classes of light and heavy that will have implications for the mobility of labour. Motor Mechanic skills are readily transferable, a restriction on entering one stream or another is likely to reduce movement and contribute to scarcity.

There is also no doubt that there is a current shortage of Motor Mechanics in New South Wales (and most other parts of Australia), Jobs and Skills Australia report that there were over 1000 Motor mechanic jobs advertised in the month of May 2024. The AADA has concerns with potentially increasing the difficulty of hiring skilled staff through unnecessary regulation.

Dealers are interested in employing people with transferable skills that can repair a wide variety of vehicles. Streaming into four classes; (Light, Heavy and Electric in both) is likely to reduce the pool of people available to work on all classes of vehicles. Forcing a choice on existing trade qualified people may restrict their job opportunities and reduce competition.

Interstate movement of automotive technicians is essential and likely to be reduced if qualified technicians from outside the state are forced into additional training before they can consider taking a position in NSW. Equally, those in NSW looking to begin a career in the automotive trades will be encouraged to look outside the state at jurisdictions which set lower barriers of entry into the trade.

Section 4

NSW Motor Dealers & Repairers Act regulations should not create a hurdle for mutual recognition of trade qualifications and movement of trade workers from State to State under the Intergovernmental Agreement on Automatic Mutual Recognition of Occupation Registration which was signed by NSW in 2020.

These matters should be carefully considered in the context of National Mutual Recognition and the commitments made by all States (not including the ACT) to reduce unnecessary red tape in mutual recognition. Geographically, New South Wales is the only eastern state to require automotive workers to be licensed, therefore by adding further compulsory training and tightening the MDRA regulations, it is likely that it will become more difficult to engage trade workers in NSW. The cost of engagement and mandated training will also increase for employers in NSW but not elsewhere and could result in businesses and employees preferring to conduct business in other less regulated states.

AADA does not support Proposal 1 as a stand-alone proposal or in combination with Proposal 2.

Section 4

Proposal 2: There will be two pathways to becoming qualified and certified as a light EV motor mechanic or heavy EV motor mechanic; Dedicated EV Pathway or EV Bridging Pathway.

The exclusive EV pathway fails to recognise that in most businesses a motor mechanic will be trained to work broadly on motor vehicles which can include EVs. While the EV Bridging pathway recognises that motor mechanics will be working on ICE, Hybrid, PHEV and BEV vehicles for the foreseeable future, it potentially imposes unnecessary regulation on technicians which have already undergone equivalent manufacturer provided training.

There are more than 30,000 motor mechanics working in New South Wales. To train all in either a dedicated, or bridging pathway will be an enormous task, which should not be underestimated. Proposal 2 is likely to place the industry in a difficult position to recover mandated training costs which are duplicated by manufacturer training and on the job experience.

The AADA also highlights that the cost of expanded regulation and mandatory training for licensed personnel is significant and the cost has not been modelled in the Proposal. These increased costs will be passed on to consumers as higher repair and servicing costs at a time when cost of living expenses are already a very topical and sensitive issue.

The AADA does not have concerns with the introduction of a dedicated EV training pathway, but, as with the addition of AURSS00063 and AURSS00064 as appropriate training for automotive technicians, the AADA does not agree with making these training pathways mandatory for technicians in Dealerships who have already undertaken OEM EV training.

Section 4

Proposal 3: Introduce a level 1 EV depower and reinitialise repair class designed to be added to an existing tradesperson certificate to demonstrate competence in depowering and reinitialising EVs. The proposed qualification is AURETH101 Depower and Reinitialize Battery Electric Vehicle.

AADA agrees that AURETH101 is appropriate training, and we support this proposal for the following occupations:

- Motor Mechanic
- Automotive Electrician
- Body Maker
- Electrical accessory fitting worker
- Exhaust Repair worker
- Panel Beater
- Radiator Repair Worker
- Steering, suspension and wheel alignment worker
- Transmission Specialist
- Underbody worker
- Vehicle painter

OEM training equivalent to AURETH101 should also be recognised and accepted as it is under the Motor Vehicle Service and Repair Information Sharing Scheme Act 2021 and by the Australian Automotive Service & Repair Authority (AASRA). Our AADA submission in 2022 supported consistency with the AASRA position.

Section 4

Proposal 4: Tradesperson certificate holders in the listed repair classes will not be allowed to carry out repair work on EVs unless they have added the level 1 EV depower and reinitialise repair class to their tradesperson certificates.

The AADA also supports this proposal, but as mentioned above, in response to proposal 3, OEM training equivalent to AURETH101 should also be recognised and accepted as it is under the Motor Vehicle Service and Repair Information Sharing Scheme Act 2021 and by the Australian Automotive Service & Repair Authority (AASRA)

Section 4

Proposal 5: Replace the existing motor mechanic repair class with two new repair classes: light ICE vehicle motor mechanic and heavy ICE vehicle motor mechanic. The scope of work for the two new repair classes will remain largely the same to the existing scope of work for the motor mechanic repair class, with the exception of: air conditioning work will be added to the scope of work, carrying out work on EVs will be explicitly excluded from the scope of work, and specific weight thresholds for heavy and light vehicles has been specified for each repair class.

Separating the motor mechanic occupation into two (light and heavy) will likely reduce the labour mobility of motor mechanics by sectioning the trade worker into one category or the other and restricts employment opportunities for the worker.

Employers may find that there are fewer automotive technicians available to work on both light and heavy and no cross-over of technicians who can work on both. The AADA does not support this separation and a better approach would be to maintain one class and add non-compulsory endorsements for those technicians who wish to specialise without restricting work or movement between light and heavy.

If Proposal 5 proceeds, then there will be four sub-groups of Motor Mechanics which may confuse consumers and restrict movement between class and jobs. Qualified motor mechanics may, because of regulations, be barred from working on vehicles which they fully

understand and have worked on using skills they possess and adaptability to apply trade skills to different types of vehicles. The trucking, heavy vehicle and farm machinery industry is likely to be unreasonably impacted by a regulatory requirement that forced automotive technicians to decide to choose between light and heavy work.

As the skills for repairing light and heavy vehicles are enormously transferrable, making decisions about which = staff are appropriately assigned to work on a particular vehicle is a day to day matter for the management of a licensed repairer workplace. Flexibility and adaptability are most important to achieving highly productive daily service and repair outcomes for customers.

If the motor mechanic classification is split into light and heavy, it is likely that Dealers providing service and repairs for light and heavy vehicles will be required to engage additional staff.

Dealers in regional NSW will no longer be able to find and employ automotive technicians that range across all types and sizes of vehicles: cars, utes, vans, trucks, trailers, and farm machinery which they service. Proposal 5 has not been thought through and the consequences for employers and employees are significantly negative. If introduced it would be an over regulation of the occupation of motor mechanic.

Proposal 5 has not been justified with the publication of evidence or modelling of current issues resulting from cross qualification between light and heavy vehicles, and as such the AADA does not support Proposal 5.

Section 4

Proposal 6: Introduce locksmithing as a new repair class, and the Certificate III in Locksmithing as the prescribed qualification.

AADA does not support Proposal 6 which would add locksmithing as a licenced occupation under the MDRA regulations.

Lock outs, key failures, lock failures, re-programming and repairs to vehicle locks, keys and immobilising systems are often completed by Dealership staff using secure OEM supplied technical and security information. NSW located locksmiths are required to register with NSW Police to ensure that locksmiths are fit and proper people with the necessary skills.

Security of vehicles is also enhanced by the AASRA. In order to obtain vehicle manufacturer supplied security information locksmiths must provide a police check, evidence of their qualifications, have a legitimate business, be trained, and register with AASRA. These two forms of occupational licencing are sufficient to provide appropriate protection for consumers. The scope of work for automotive technicians often includes work on locks, keys, security systems and immobilisers, such work should not be excluded or modified to become the work of locksmiths only.

The consultation paper does not provide sufficient information or evidence to support the creation of a new locksmith classification, as such the AADA does not support proposal 6.

Proposal 7: Introduce tyre fitting as a new repair class, and a Certificate II in Automotive Tyre Servicing Technology as the prescribed qualification.

It has not been demonstrated that the work of tyre fitting requires regulation. No evidence is supplied to support the proposal. Therefore, in the absence of sufficient information making it difficult for AADA to evaluate to the pros and cons of regulating the occupation.

AADA does not support Proposal 7.

Section 4

Proposal 8: Clarify the inclusion of air conditioning work within the scope of work for automotive electricians, as well as light and heavy ICE vehicle mechanics.

The AADA agrees that it should be made clear that air conditioning work is included within the scope of work for automotive electricians as well as motor mechanics and appreciates the recognition that separating air conditioning work as its own distinct class of work is unjustified and would contribute to skills shortage problems.

Also, refrigerant gasses used in the servicing and repair of air conditioning systems are controlled substances and technicians conducting this work are already required to hold a Refrigerant Handling Licence through the Australian Refrigeration Council (ARC). The ARC currently administers and licenses over 100,000 technicians and refrigeration industry businesses on behalf of the Federal Government so any further regulation would be duplicitous, add costs to businesses and consumers and provide no demonstrable benefit to anyone.

The AADA supports Proposal 8.

Proposal 9: Prescribe new qualifications for the transmission specialist, compressed natural gas (CNG) mechanic, liquefied natural gas (LNG) mechanic, and liquefied petroleum gas (LPG) mechanic repair classes to replace deleted qualifications currently prescribed. The currently prescribed qualifications will remain valid for legacy holders.

The AADA agrees that legacy holders of these qualifications should retain their status.

Section 4

Proposal 10: Exclude the Certificate III in Light Vehicle Mechanical Technology as a prescribed qualification for underbody work and retain only the Certificate III in Automotive Underbody Technology as the prescribed qualification.

AADA does not support changes to the under body qualifications that would restrict or restrain people undertaking Certificate III Light Vehicle Mechanical Technology from working in the Under Body classification.

The reasons given in the consultation paper do not satisfy a test of practicality and rather appear to be driven by an unexplained quest for uniformity. The aim should be to encourage as many participants as possible, not to deter people from working in the automotive industry.

AADA does not support Proposal 10.

Proposal 11: In light of skill shortages in the motor vehicle repair industry, enable qualified and skilled migrants to perform repair work in NSW.

The AADA agrees that facilitating work for people migrating to this country is important and whatever can be done to adjust the NSW MDRA regulations to allow skilled migrants to commence work and qualify for a certificate of proficiency is a necessity.

The AADA recommends that a targeted consultation with the industry on the migration issues commences as soon as possible.

Section 4

Proposal 12: Applicants for a motor vehicle tradesperson certificate must submit a copy of a Certificate of Proficiency along with their qualification so the Department can ensure that applicants have completed the necessary on-the-job training in their chosen repair class.

The AADA agrees with Proposal 12.

The consequences of the 12 Proposals and remaking the MDRA Regulations are important to the operation of Dealer businesses and as such AADA requests a continuing discussion occurs between our industry and the Office of Fair Trading. We are available to meet, discuss and answer any questions about our submission and look forward to a continuing engagement on this issue.

RESPONSES TO THE CONSULTATION QUESTIONS

Question 1: Do you support the two proposed pathways to become qualified as an EV motor mechanic, that is, the Dedicated EV Pathway and the EV Bridging Pathway? If not, why?

The AADA does not support the two pathways as described, automotive technicians that have already trained in EV work in dealerships with training provided by vehicle manufacturers should have that training recognised as sufficient and equivalent training to satisfy the requirements of the Motor Dealers and Repairers Act Regulations.

Question 2: Are there any additional considerations or suggestions you would like to provide regarding the scope of work and pathways for the proposed EV motor mechanic repair classes?

The AADA considers that the separation of light and heavy classes will divide the motor mechanic classification into 4 categories which would be unfavourable to the industry, and will reduce the broad and adaptable nature of the Motor Mechanic qualification in NSW.

Section 5

Question 3: Do you support the Department's proposal to restrict tradespersons in the specified repair classes from working on EVs, unless they have completed the AURETH101 Depower and Reinitialise Battery Electric Vehicle unit? If not, why?

Yes, with the addition of the Motor Mechanic class to the list as the EV training qualification and recognition of equivalent Dealer training provided via vehicle manufacturers.

Question 4: Are there any specified repair classes that require additional qualifications beyond the AURETH101 Depower and Reinitialise Battery Electric Vehicle unit to conduct repairs safely on EVs? If so, which repair classes do you think might benefit from additional qualifications and what qualifications would you recommend?

No, AURETH101 should suffice as the required standard.

Section 5

Question 5: Do you support exempting automotive glaziers and tyre fitters from the requirement to complete the AURETH101 Depower and Reinitialise Battery Electric Vehicle in order to work on electric vehicles (EVs)? If not, why?

All trade workers in licensed repair shops should understand the safe ways to work with and around all types of vehicles. Therefore the AADA would consider it necessary that automotive glaziers and tyre fitters are trained in the AUTHET101 course or equivalent.

Question 6: Do you support the introduction of the light and heavy ICE motor mechanic repair classes to replace the existing motor mechanic repair class? If not, why?

No, the AADA does not support the division of the motor mechanic classification into light/heavy and further division into light EV and heavy EV. The work of automotive technicians should remain broad so that the qualified technician is trained, capable, and permitted to work on the variety of vehicles that are on the road and required to be serviced and repaired.

Licensed repairers of light and heavy vehicles in regional and rural NSW are likely to be most impacted as automotive technicians in the regions must be able to work on a variety of vehicle stock used in agriculture, including trucks, farm machinery and agricultural implements.

Section 5

Question 7: Are there any additional considerations or suggestions you would like to provide regarding the scope of work and qualifications for the proposed light and heavy motor mechanic repair classes?

The AADA recommends that vehicle manufacturer training, mandatory for Dealers and provided in franchised dealerships be recognised as meeting the training requirements now and in the future.

Question 8: Do you support the introduction of locksmithing as a repair class, and the Certificate III in Locksmithing as the prescribed qualification? If not, why?

No, AADA does not support adding Locksmithing as a regulated qualification in the MDRA regulations, and submits that current requirements placed on individuals who are working on vehicle lock systems are sufficient.

Section 5

Question 9: Does the proposed scope of work accurately reflect the current working environment for automotive locksmith repairers? Are there any aspects that should be added or removed to better reflect work carried out by automotive locksmiths?

Please refer to the AADA's comments under Proposal 6.

Question 10: Do you support the introduction of tyre fitter as a repair class, and the Certificate II in Automotive Tyre Servicing Technology as the prescribed qualification? If not, why?

No, the AADA considers that the work of tyre fitters does not require licensing under the MDRA. Existing laws of employment and occupational health and safety apply to adequately cover the engagement of tyre fitters.

Section 5

Question 11: Does the proposed scope of work accurately reflect the current working environment for tyre fitters? Are there any aspects that should be added or removed to better reflect work carried out by tyre fitters?

Please refer to the AADA's comments under Proposal 7.

Question 12: What do you think would be an appropriate transitional period for the new repair classes? Please provide specific transitional periods for:

- **light and heavy EV motor mechanics,**
- **light and heavy ICE vehicle motor mechanics,**
- **locksmithing, and**
- **tyre fitting.**

The AADA does not support the introduction of these new repair classes.

If new classes are to be applied in any existing trades or by addition of trades, the matter of transitional arrangements should be subject to further consultations and inclusion in a Regulatory Impact Assessment. The new classes should also be subject to review and variable if the new regulations are causing disruption, delays, or uncertainty in the industry.

Also, all existing licensed people should be "grandfathered" and permitted to continue in their current work and to apply for a continuing exemption if unable to procure mandated training in the future. Any new regulations should include an application process for exemption which may be requested by a licensed workshop or an auto technician.

Section 5

Question 13: What do you think would be an appropriate transitional period for motor mechanics and other tradespersons to upskill in order to work on EVs?

As with question 12 above, this is a difficult question for the AADA to answer in the circumstances of not knowing what the capacity of the training system is to deliver training or the volume of people who may require training under all the Proposals.

A 5-year transition would appear to be a minimum, and the AADA would want to participate in further discussions regarding the recognition of training delivered by Dealers and the practicality and certainty of meeting any regulated deadlines.

Question 14: Are the newly proposed qualifications suitable for providing individuals with the necessary skills and knowledge to carry out the scope of work for the autogas and transmission specialist repair classes? If not, why?

The AADA has no comment.

Section 5

Question 15: Do you support the exclusion of the Certificate III in Light Vehicle Mechanical Technology as a prescribed qualification for underbody work?

No, the AADA does not support this exclusion.

Question 16: Have you experienced skill shortages in the motor vehicle industry and if so, how have these shortages impacted your business or operations? Would you support allowing skilled migrants to perform repair work to overcome these impacts?

There is no doubt that a skills shortage exists in the automotive industry, and a comprehensive assessment and evidence in support is found in the recent Motor Trades Association of Australia (MTAA) survey.

The AADA is aware of anecdotal evidence within the industry that many Dealers struggle to fill vacant automotive technician positions and that job advertising is attracting few eligible candidates.

The AADA would support appropriate arrangements that would allow skilled migrants to work under the New South Wales MDRA regulations and looks forward to further targeted consultations on skilled migration.

Section 5

Question 17: Under what conditions or circumstances should skilled migrants be allowed to perform repair work in New South Wales?

Skilled migration to NSW should not be constrained by the MDRA regulations.

Question 18: What potential implications and safeguards should be considered before allowing skilled migrants to perform repair work in the motor vehicle industry?

The AADA considers that one safeguard may be the introduction of a probationary period for skilled migrants during which they may work towards completing a certificate of proficiency. A probationary license could be temporarily granted for a set period of time and subject to cancellation or recission if the terms were not met by the applicant or by the employer but consider that more consultation should be done to assess potential implications and merits of particular safeguards.

Section 5

Question 19: What would be the impact of removing tradesperson certification for industry? What risks would the regulator need to consider?

The prospect of deregulating or easing the regulatory burden on the automotive industry in NSW should be fully explored. While the AADA supports the licensing of businesses and premises, we are unconvinced that licensing of trade workers is adding value to automotive repair outcomes in NSW.

If the regulation of trade workers was to lapse, then little would change for Dealers as they would continue to employ automotive technicians who are capable, adaptable, trained, and can repair vehicles. All of the responsibilities of employers under workplace health and safety legislation, employment law, and the Australian Consumer Laws would continue to apply.

Employers, managers, and company directors can be held to be liable or personally responsible for events that cause injuries and breaches of laws. Therefore great care is taken to employ, train and supervise workers at a professional level which does not increase risks. In other states and territories where automotive technicians are not required to be licensed, there is no noticeable detriment to the industry or consumers.

Dealership company directors and managers have a sophisticated understanding of their responsibilities to employees, to their customers, to their franchisors and pay close attention to business management practice that meets community expectations. Risks are assessed and mitigated and therefore removal of the MDRA tradespersons licencing and qualification regulations in NSW would be unlikely to increase risks to staff or consumers that have already been identified and reduced or removed.

As new automotive technologies arrive franchised car and truck Dealers are required under terms of their franchise agreements to train staff in new products and technical procedures. Dealers must also buy new equipment that the manufacturer mandates as necessary and maintain appropriate standards of premises. Dealers are also subject to intense scrutiny of customer service performance by their franchisors.

The franchise system provided by the vehicle manufacturer supports training on new products, supply of vital service, repair and warranty information, and technical assistance to best support their automotive products. This critical training is mandatory for the Dealer and is provided by the very people who designed and manufactured the vehicle so there is no higher standard of training available. Removal of the MDRA trade worker regulations would be unlikely to reduce the standard of operation of the Dealership.

AADA recommends that the Office of Fair Trading fully investigates and analyses the prospect of removing the automotive trade worker licencing regulations.

CONCLUSION

We would be happy to meet with you to discuss our submission and participate in any further consultation. If you require further information or clarification in respect of any matters raised, please do not hesitate to contact me.

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