



MOTOR TRADERS'
ASSOCIATION OF NSW

Productivity Commission Interim Report – Building a Skilled and Adaptable Workforce – Submission.





Who we are.

The Motor Traders' Association of New South Wales (MTA NSW) has been dedicated to representing business owners and principals in the automotive industry in New South Wales (NSW) since 1910.

As a not-for-profit industry Association, our aim continues to be in helping the motoring industry by assisting our members through the services that we provide, such as advice on industrial and employment relations matters, awards and wages, information on changes to workplace and employment laws, modern slavery, equal opportunities, and workplace safety to assist in the reduction of Worker's Compensation claims and injury prevention.

The MTA NSW Code of Ethics, which all members abide by, is a landmark statement that sets out the standard behaviour MTA NSW members must follow when dealing with the public.

Our subsidiary, Motor Trades Care – continues our advancement of standards and safety in the motoring industry. Motor Trades Care (MTC) operates to promote workplace safety in the industry by assisting businesses to assess their workplace risk.

Since 1996, MTA NSW has operated a not-for-profit industry Registered Training Organisation (RTO), which delivers flexible training for apprentices and trainees across NSW. MTANSW has over 2,500 apprentices being trained across NSW and the ACT. As the industry association for the motoring sector in NSW, we work directly with industry and can provide training and apprenticeship models in direct response to the industry's needs.

Our RTO delivers on-site training for apprentices across the state. Our apprenticeship offering helps businesses, especially those in regional and rural NSW train apprentices, especially where access to TAFE is limited, not available, or not suitable for the needs of the business or the apprentice. Through our close contact with apprentices, we have found that one-on-one on-site training works well for those who find classroom learning difficult or are of a mature age.

The Motor Trades' Association of the Australian Capital Territory (MTA ACT) similarly represents repairers, retailers, service providers, and allied businesses in the ACT. MTA ACT works to ensure that members can operate successfully in a competitive market while upholding high levels of skill, safety, and consumer protection.

Together, MTA NSW and MTA ACT speak on behalf of a large and skilled segment of the Australian workforce in automotive service and repair.



Submission.

Draft Recommendation 3.1

Our submission will focus directly on Draft Recommendation 3.1 in the interim report.

MTA NSW and MTA ACT reject Draft Recommendation 3.1 of the Productivity Commission's interim report. The recommendation that states and territories should remove occupational entry regulations (OERs) that differ across jurisdictions and which are said to "offer limited benefits". We believe that this recommendation is based on flawed assumptions, errors of fact, and a fundamental misreading of risk in the motor vehicle repair industry.

The Commission has mischaracterised the ACT's regulatory framework by claiming it operates under an OER model. This is false. The *Fair Trading (Motor Vehicle Repair Industry) Act 2010* is not an occupational entry regulation; it is a **fair trading** Act that governs the operation of businesses. It establishes a statutory advisory council to advise the Minister on industry issues, but it does not require repairers to hold qualifications or licences to practise. The ACT, in fact, has no occupational entry regime. Indeed, it is due to the absence of occupational licensing in the ACT that unqualified repairers are allowed to operate in the ACT, in home garages without adequate skills and without occupational health and safety standards or environmental protection standards in place. The absence of qualifications in the ACT and the risks it has demonstrated has led the industry itself to call for occupational licensing to be introduced for licensing to be introduced, precisely because standards have slipped in the absence of such regulation.

This error is egregious. Not only does it demonstrate that the Productivity Commission has not fully investigated or understood the licensing regimes it also shows that the Commission has not undertaken full consultation with the industry. Further by treating the ACT as a jurisdiction with occupational entry regulation, the Commission has undermined the integrity of its own recommendation. The comparison between NSW, Western Australia and the ACT cannot be made on this false premise, and the Commission's conclusions on licensing are unsound.

In contrast to the ACT, New South Wales has operated under an occupational licensing framework for repairers for decades, with strengthened provisions introduced through the *Motor Dealers and Repairers Act 2013*. Far from being excessive, this framework was established at the request of the repair industry itself to improve entry requirements, lift the quality of work, and protect consumers. It provides mechanisms for auditing, consumer complaints, disciplinary action, and sanctions against unlicensed operators, thereby protecting both consumers and legitimate businesses.

The Commission's portrayal of OERs as potentially excessive in this industry is simply wrong. Motor vehicle repair is not a "low-risk" sector; it is one of high risk, particularly in an era of electric vehicles, high-voltage systems, and advanced driver assistance technologies. Weakening entry requirements in such an environment would not create productivity, it would create danger.

Licensing and occupational entry requirements serve three vital purposes in the automotive sector.

First, they reduce risks to workers by lifting standards of training and competence. Workers who meet licensing requirements have undergone rigorous training, are familiar with workplace safety, and are competent to perform complex repairs. In an industry increasingly defined by high-voltage systems and new technologies, this is non-negotiable.

Second, licensing protects consumers by ensuring that the tradesperson repairing their vehicle can demonstrate recognised qualifications. Consumers can trust that the work carried out on their vehicles is competent and safe. A qualified repairer reduces the incidence of unsafe or defective repairs, protecting lives and reducing costs associated with accidents, breakdowns, or repeat work.

Third, licensing protects businesses from egregious or frivolous claims. Where a repairer can demonstrate qualifications and compliance with licensing standards, businesses have a clear defence in regulatory or legal disputes. Licensing creates a level playing field, preventing unqualified or “backyard” operators from undermining legitimate businesses who invest in training and compliance.

The argument that licensing in the automotive industry is a barrier to entry and/or restricts the movement of labour is simply untrue. The experience in New South Wales demonstrates that occupational entry requirements have not hindered workforce supply. Where issues have arisen is simply due to time restraints on obtaining a license, however, the NSW state government, working alongside MTA NSW, have reduced the wait time for licenses. The *Motor Dealers and Repairers Act* has not reduced the importation of workers from other jurisdictions, nor has it slowed NSW’s ability to maintain the largest repair workforce in Australia. The framework has lifted standards without creating barriers to mobility or growth.

Conclusion.

The Commission has erred in its description of the ACT legislation, mischaracterised the nature of occupational entry regulation in automotive repair, and underestimated the risks inherent in this trade. Licensing in this industry is not an unnecessary barrier; it is the very mechanism that ensures safety, consumer confidence, and the integrity of the workforce.

MTA NSW and MTA ACT therefore reject Draft Recommendation 3.1 outright as it applies to the motor vehicle repair industry. To weaken or remove occupational entry regulation in this sector would be reckless, would endanger both workers and consumers, and would undo decades of progress in professionalising the trade. The recommendation of the draft rests on false premises and should be abandoned in relation to motor vehicle repairers.

MTA NSW and MTA ACT strongly recommend that the Productivity Commission conduct further industry consultation before risking an established and well-run regime that has demonstrated benefits to the industry and consumers.

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