



1 February 2021

Right to Repair
Productivity Commission
4 National Circuit Barton
ACT 2600, Australia

Online: www.pc.gov.au/inquiries/current/repair

To: Right to Repair Team

**Right to Repair
Productivity Commission Issues Paper**

1. Introduction

1.1 The Motor Trades Association Queensland (MTA – Queensland or the Association) is pleased to respond to your request for feedback and comments on the *Right to Repair* Issues Paper (the Paper). Many of the issues identified in the paper are outside the purview of the Association, as a motor trades' industrial organisation of employers. Regardless many of the issues are material to our industry.

The Australian Government has progressed the Right to Repair issue in relation to motor vehicles. Specifically, an *Exposure Draft (Mandatory Vehicle Service Repair Information Sharing Scheme) Bill* has been released for comment. MTA Queensland has provided comments on the draft.

1.2 This submission therefore includes copies of the submissions made to the following consultative processes:

- *Exposure Draft (Mandatory Vehicle Service Repair Information Sharing Scheme) Bill*
- Agricultural machinery: The Australian Competition and Consumer Commission (ACCC) is currently reviewing and analysing *Agricultural machinery: after sales markets* information put forward in a survey and submissions. The ACCC expects to publish a document in early 2021 summarising the key themes raised in submissions and survey responses.

1.3 The Association has interest in part 3 of the Paper (the implications of repair issues for e-waste), although not specific to the Paper's e-waste focus, provides views on the repurposing of end-of-life vehicles and other environmental responsibilities relevant to the motor trades.

Motor Trades Association Queensland

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2 Overview

2.1 The Commission's research focus is 'to assess the costs and benefits of a right to repair in Australia and the impact that regulatory or policy changes could have on market offerings for repair services and replacement products.' In undertaking the research, the Commission examines:

- whether there are regulatory or manufacturer-imposed barriers to accessing repair services, including the role of embedded software, intellectual property and commercially-sensitive knowledge in limiting access to repairs, as well as trade-offs with more competitive markets and innovation
- the impacts of waste (especially e-waste generated from the disposal of consumer electronics and household goods) on the environment and community, and the current arrangements for the disposal and management of e-waste. This will include the examination of the effect of premature and planned product obsolescence on the growth of e-waste.

2.2 The Commission's focus is on unnecessary regulatory or manufacturer-imposed barriers to repair that arise due to market failures or poor regulatory design.

3. Regulatory or manufacturer-imposed barriers

3.1 Australian Consumer Law (ACL) assures when consumers purchase products and services, they come with automatic guarantees that they are 'fit for purpose.' If not, consumer rights apply with remedies.

3.2 The Paper states: 'a key issue in the debate about a right to repair is how to balance the benefits and costs to consumers, suppliers and manufacturers.' Although challenging, this is in fact important to success in this issue and a reasonable regulatory framework for motor vehicle repair could include:

3.2.1 The draft Bill mentioned above establishes a scheme that mandates Overseas Equipment Manufacturers (OEMs) under specific criteria to the sharing of motor vehicle service and repair information to Australian repairers and RTOs. The 'pricing' and sharing of diagnostic and repair information for warranted new and late model vehicles for general servicing or minor repairs and without 'security' or 'safety' implications will be crucial. The specific draft provisions relating to this issue can be found in the exposure draft.

3.3 The Paper states 'proponents say that a right to repair will lead to increased competition in repair markets, greater consumer choice, and improved environmental outcomes due to less resource use and waste.' That viewpoint is shared.

3.4 Noted are the concerns raised by 'manufacturers and some suppliers about safety, data security risks, and the protection of their intellectual property.' Protection of intellectual property and ensuring a return on investment are valid concerns.

4. E-Waste /Recycling

4.1 The automotive industry is one of the largest contributors of waste, and work is being done to turn waste into a sustainable business or disposing of waste in an environmentally sensitive manner. In 2018 some 800,000 end-of-life vehicles were sent to landfill; since then, the focus has shifted to repurposing and tyre disposal is proving surmountable by new and technological developments.

4.2 The industry recognises its responsibilities for being environmentally sustainable.

4.3 In November 2017 we opened our Innovation hub (MTA/iQ) located within the Association's precinct. Current projects include:

- A research project in conjunction with the Australian Research Council (ARC) and Queensland University of Technology (QUT) to explore where the growing presence of 3D printing fits into the future of the automotive industry. The project's focus is on three key research areas: establishing global 3D printing standards for the automotive industry; determining the potential for 3D printing to be used in the automotive industry; and investigating the validity of using recycled materials as a sustainable 3D printing material.

- Custom-built Intelligent Transport Systems, deploying autonomous vehicles and state-of-the-art transport technology. MTAiQ assists by retro-fitting autonomous vehicles at the MTA Institute, to be used in trials in Queensland via the Queensland government's Co-operative and Automotive Vehicle Initiative project.

4.4 Much of the ARC and QUT research project is working with industry partners including the MTA Queensland and the automotive recyclers' division which are the principal stakeholders in the project. In Australia, around 80 percent of a vehicle can be recycled. This includes the metal, glass, fluids, batteries and tyres. The remaining 20 percent is called 'automotive shredder residue' (ASR) which is non-recyclable and, due to its complex composition usually ends up in landfill, proving a significant environmental threat.

4.5 The research project aims to gain a deeper understanding of 3D technology and how it can be used against conventional automotive parts to create a financially and environmentally sustainable manufacturing method which can recycle/reuse ASR materials. To do this, the project will outline the Australian landscape of end-of-life vehicle management and ASR handling in comparison to the international standard of 95 percent.

4.6 Empirical evidence indicates the automotive value chain is facing the most severe technology disruption of any sector in Australia's economy. A major issue is the rise in the number of new automotive technologies, the advancement and the acceleration e.g., digitisation, automation and electrification. Each of these will bring a new generation of environmental issues such as the end-of-life disposal of lithium batteries. The Commonwealth Science Industrial Research Organisation predict that Australia's lithium battery waste could exceed over 100,000 tonnes in less than 20 years.

4.7 To inform members and the wider automotive value chain on accelerating technological change within the mobility sector and on waste disposal initiatives, the MTA Queensland has hosted a series Carmageddon fora. The next is in July this year. The Association will continue to be a proactive and reliable environmental steward within the automotive value chain.

5. The MTA Queensland background

5.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State.

5.2 There are some 15,000 automotive value chain businesses employing approximately 88,500 persons generating in excess of \$20 billion annually. It is an industrial association of employers incorporated pursuant to the *Fair Work Act* 2009. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

5.3 Australia's first automotive hub, the MTAiQ, has been established in specifically designated accommodation at the corporate office. The hub is an eco-system that supports innovation for the automotive industry.

5.4 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute - a registered training organisation. It is the largest automotive apprentice trainer in Queensland employing with trainers geographically dispersed from Cairns to the Gold Coast and

Toowoomba and Emerald. The MTA Institute last financial year provided accredited courses to in excess of 1,600 apprentices and trainees.

Thank you for your consideration

Yours sincerely

Ron Camm
MTA Queensland Group Chief Executive Officer