



Motor Trades Association of Australia

Commissioner Michael Woods
Regulatory Burdens Review
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

By email: regulatoryburdens@pc.gov.au

Dear Commissioner

MTAA is the peak national representative organisation for the retail, service and repair sector of the Australian automotive industry. The Association represents the interests, at the national level, of over 100,000 retail motor trade businesses with a combined turnover of over \$120 billion which employ over 316,000 people. MTAA is therefore the largest 'stand-alone' small business association in Australia.

MTAA has long been advocating for a number of regulatory reforms that would assist in the productive operations of the retail motor trades.

Please find attached the Association's submission in which a number of regulatory burdens affecting the retail motor trades have been set out

I trust that these comments are of assistance in your consideration of this matter and I would be happy to discuss these matters further with you at your convenience.

Yours sincerely

MICHAEL DELANEY
Executive Director

20 March 2008

Motor Trades Association of Australia



**Submission to the Productivity Commission
Annual Review of Regulatory Burdens on
Business – *Manufacturing and Distributive
Trades***

March 2008

TABLE OF CONTENTS

Introduction	2
<i>OVERVIEW OF THE MOTOR TRADES ASSOCIATION OF AUSTRALIA (MTAA)</i>	<i>2</i>
<i>MTAA 'S INTEREST IN THE INQUIRY.....</i>	<i>3</i>
Regulatory Burdens Affecting the MTAA Membership	4
<i>MOTOR VEHICLE AND MOTOR VEHICLE PARTS WHOLESALING AND RETAILING.....</i>	<i>4</i>
<i>REVS AND NEVDIS.....</i>	<i>4</i>
<i>NATIONAL LICENSING REGIME FOR THE RETAIL MOTOR TRADES</i>	<i>4</i>
<i>NATIONAL MOTOR VEHICLE REGISTRATION</i>	<i>4</i>
<i>TAXATION REQUIREMENTS</i>	<i>5</i>
<i>OH & S LEGISLATION.....</i>	<i>5</i>
FUEL RETAILING	5
<i>DANGEROUS GOODS NOTIFICATION.....</i>	<i>5</i>
<i>TECHNOLOGY REQUIREMENTS.....</i>	<i>5</i>
<i>UNDERGROUND PETROLEUM STORAGE SYSTEMS.....</i>	<i>6</i>
<i>INCONSISTENT REGULATIONS</i>	<i>6</i>
Conclusions	6

Introduction

OVERVIEW OF THE MOTOR TRADES ASSOCIATION OF AUSTRALIA (MTAA)

MTAA is the peak national representative organisation for the retail, service and repair sector of the Australian automotive industry. The Association represents the interests, at the national level, of over 100,000 retail motor trade businesses with a combined turnover of over \$120 billion and which employ over 316,000 people. MTAA is therefore the largest 'stand-alone' small business association in Australia. The Association is a federation of the various state and territory motor trades associations, as well as the Service Station Association (SSA) and the Australian Automobile Dealers Association (AADA). MTAA also has a number of Affiliated Trade Associations (ATAs), which represent particular sub-sectors of the retail motor trades ranging from motor vehicle body repair to automotive parts recycling. Those ATAs are as follows:

Australian Motor Body Repairers Association (AMBRA)
Australian Motorcycle Industry Association (AMIA)
Australian National Radiator Repairers Association (ANRRA)
Australian National Towing Association (ANTA)
Australian Service Station and Convenience Store Association (ASSCSA)
Australian Tyre Dealers and Retreaders Association (ATDRA)
Auto Parts Recyclers Association of Australia (APRAA)
Automotive Repairers Association of Australia (ARAA)
Automotive Transmission Association of Australia (ATAA)
Engine Reconditioners Association of Australia (ERA of A)
Farm and Industrial Machinery Dealers Association of Australia (FIMDAA)
National Brake Specialists Association (NBSA)
National Heavy Vehicle Repairers Association (NHVRA)
National Rental Vehicle Association (NRVA)
National Steering and Suspension Association (NSSA)
National Vehicle Airconditioning Association (NVAA)

All of the ATAs listed above are composed of the relevant sections of each of the MTAA Member bodies and are represented, at a national level, by MTAA.

The Association's affairs are directed by a Board on which each of MTAA's Member bodies is represented. The role of the Association is to:

- raise awareness in the community of the retail motor trades' significant contribution to the Australian economy (the trades have a turnover of over \$120 billion and employ over 316,000 people);
- convey and promote to governments the interests of the retail motor trades;
- promote improved working relationships and practices with the motor trades' unions;
- on behalf of the Members of the Association, provide information about the trades to governments, the public and the trades' employees;
- work with governments to plan the future of the retail motor trades and their role in the economy and other areas of national planning;

- extensively enhance training and to develop work opportunities within the trades in co-operation with education and training authorities, the unions and government generally; and
- promote and enhance the reputation of the trades with its customers and the general public.

The range and depth of the activities of the membership of the Association can be seen from the following list of recognised trades, skills and tasks in the retail, service and repair sector of the automotive industry:

Air-conditioning Technicians	Dynamometer Operators
Auto Electricians	Engine Fitters
Automotive Accessory Retailers	Engine Performance Specialists
Automotive Dismantlers/Parts Recyclers	Engine Reconditioners
Automotive Engineers	Exhaust System Specialists
Automotive Glass Fitters	Farm Machinery Dealers
Automotive Parts Cataloguers	Fuel Injection Specialists
Automotive Radio and Stereo Specialists	Gas Fitters
Automotive Service Managers	Hire and Rental Vehicle Operators
Automotive Trimmers	Marine Automotive Engineers
Automotive Upholsterers	Motor Boat and Marine Dealers
Automotive Transmission Specialists	Motorcycle Dealers
Battery Makers and Reconditioners	Motorcycle Mechanics
Body Builders	Motor Mechanics
Brake Specialists	Panel Beaters
Car Alarm Fitters	Petrol Pump Attendants
Caravan Dealers	Radiator Repairers
Car Dealers	Spray Painters
Car Salespeople	Tow Bar and Trailer Fitters
Car Wash Operators	Tow Truck Operators
Chassis Builders and Repairers	Truck Builders and Operators
Commercial Vehicle Body Fabricators	Tuning Specialists
Detailers	Tyre Fitters
Diesel Engineers	Tyre Retreaders
Diesel Injection Technicians	Wheel Alignment Specialists

MTAA'S INTEREST IN THE INQUIRY

As MTAA understands matters, the Commission's Review will consider the current regulatory burdens on businesses in the manufacturing and distributive trades. The membership of MTAA has a considerable number of trades that are classified as being part of the manufacturing and distributive trades. These include motor vehicle and motor vehicle parts wholesaling (ANZIC code 35), motor vehicle and motor vehicle parts retailing (ANZIC code 39) and fuel retailing (ANZIC code 40). The smaller sections of the membership of MTAA may also be classified in other ANZIC categories; however this submission will primarily focus on the regulatory burdens faced by those members involved in the previously mentioned classifications.

Regulatory Burdens Affecting the MTAA Membership

MOTOR VEHICLE AND MOTOR VEHICLE PARTS WHOLESALING AND RETAILING

MTAA has long been advocating for a number of regulatory reforms that would assist in the productive operations of the retail motor trades.

REVS AND NEVDIS

One regulatory matter that is of concern to the Association's Members is the relationship between the Register of Encumbered Vehicles (REVS) and National Exchange of Vehicle and Driver Information System (NEVDIS). MTAA believes there exists a need for reform of the REVS / NEVDIS system to better link the two systems and to make them nationally consistent. This is a major issue for retail motor traders.

Although, for example, the NSW REVS is linked to the Victorian, Queensland and South Australian Registers and NSW also operates Register services for the ACT and Northern Territory, all of these systems have different time frames and criteria for updating their Registers. This has the result of causing much confusion within the trades as to the current status of previously registered motor vehicles. A link does exist between the NSW and WA REVS; however this only provides a warning mechanism to consumers on Western Australian encumbrances.

The aim of the NEVDIS registration module is to ensure that vehicles in Australia can be uniquely identified through the vehicle's VIN (Vehicle Identification Number) and that a vehicle can be identified as registered in only one jurisdiction at any given time. Problems arise, however, when the NEVDIS database and the state based REVS are not aligned, as dealers are not able to obtain, with confidence, accurate and timely information regarding the history of the motor vehicle proposed to be bought or sold. This in turn creates an additional burden and impediment to the productive operation of a retail motor traders business. Licensed retail motor traders are obliged to guarantee 'clear title' of vehicles they sell. An inability to get accurate and timely information on title can have a significant impact on dealers.

NATIONAL LICENSING RECOGNITION FOR THE RETAIL MOTOR TRADES

Currently there is no national licensing recognition for the retail motor trades; rather there are some state-based licence regimes for specific tradespeople. In New South Wales and Western Australia, for example, motor vehicle mechanics must be licensed under the relevant state-based legislation. In the other states and territories however there are currently no licensing requirements for motor vehicle mechanics. Should a motor vehicle mechanic from another state wish to move to New South Wales or Western Australia they may experience significant difficulty having their qualifications recognised. MTAA understands that COAG is currently investigating this matter, and the Association believes that there needs to be recognition of qualifications and licences across jurisdictions.

NATIONAL MOTOR VEHICLE REGISTRATION

In Australia there are currently eight different motor vehicle registration and stamp duty regulatory regimes. While MTAA understands the rights of the state and territory governments to impose their own registration fees and duties, the different costs between the states and territories is simply unacceptable. Motor vehicle dealers in states with high registration fees and stamp duty have long been at a disadvantage when attempting to secure large fleet sales (such as hire vehicle fleets) or the sale of vehicles to people with an address in a state with lower fees and duties. MTAA believes that

there needs to be consistency in motor vehicle registration fees and stamp duty across all jurisdictions to provide a level playing field for all motor vehicle dealers.

TAXATION REQUIREMENTS

Compliance with taxation requirements is one of the biggest burdens imposed on the small businesses that comprise the retail motor trades. With the introduction of the GST, small businesses have effectively become taxation collection agents for the Australian Government. This has caused a further burden on small business people as they must take time away from their businesses to complete the required forms and procedures to transfer the GST collected to the Australian Taxation Office. While this has now been accepted by Government as the preferred method of collection of taxation, small business people would prefer it if there was more assistance from Government agencies in the completion of their collection and reporting requirements. One method of doing this would be simplifying the forms and reducing the amount of 'red tape' that surrounds taxation reporting requirements.

OH & S LEGISLATION

Occupational health and safety is particularly important in the retail motor trades. Retail motor traders acknowledge that they have certain responsibilities and obligations in relation to occupational health and safety and as such, MTAA supports measures that will assist retail motor traders to meet those obligations. However, MTAA believes that the obligations should not be unreasonable or overly burdensome.

Furthermore, there are currently different occupational, health and safety legislation and regulations in each state and territory. These differences affect those members of the retail motor trades who operate across jurisdictions and are forced to comply with different legislation and regulations in each jurisdiction. MTAA can see no reason for the major difference in legislation across jurisdictions and calls for nationally consistent OH & S legislation and regulation.

FUEL RETAILING

DANGEROUS GOODS NOTIFICATION

In NSW it is an annual requirement that service station operators submit an updated and complete notification on the full details of storage and other details of their sites to Workcover NSW; regardless of whether there have been any changes. Along with this 'new' notification there is an administration fee of \$100.00 applied. MTAA can see no reason for the completion of this new notification if there have been no changes to the site. This requirement places a further administrative burden on service station operators and it is the Association's view that the impost of a \$100 administration fee each year is tantamount to revenue raising.

TECHNOLOGY REQUIREMENTS

The majority of small business operators, particularly in the fuel retailing sector, operate on razor-thin margins and do not have the necessary funds to invest in technology that is now required by some state based regulatory regimes. For example, the NSW RTA "E-Safety" Scheme now requires that safety inspection reports (pink slips) be sent to the RTA electronically. While this may be seen as a more efficient system, it penalises those small businesses that have previously completed safety inspection reports manually and do not have necessary funds to invest in a computer system for their workshop or inspection station.

UNDERGROUND PETROLEUM STORAGE SYSTEMS

In NSW underground petroleum storage systems (UPSS) regulations are currently being formulated. Under the proposed UPSS Regulation, operators of an UPSS will be required to have:

- a leak detection system;
- groundwater monitoring at sensitive locations;
- an Environmental Management Plan; and
- systems in place for record-keeping, reporting of leaks, and notifying Council when a UPSS is decommissioned.

Many service stations do not currently comply with these requirements and there are significant costs associated in order to comply with these proposed regulations. In addition, the costs of the proposed requirements will place an unfair burden on the operator of a site, regardless of whether they own the site, as it is the operator who has to shoulder the entire burden under the proposed regulation. While MTAA is conscious of the NSW Government's position on this issue, it is important that the compliance burdens associated with regulation such as this is relative to the risks outlined in the regulation.

INCONSISTENT REGULATIONS

The inconsistent approach by some local councils and regulatory authorities in stipulating different interpretations on requirements for service station sites to have stormwater run-off controls and spill containment bunding in workshops continues to cause significant burdens on the small businesses that comprise the membership of MTAA's Members. The major reason for this is that a large number of the service station members have sites which are located in different local council areas and have to comply with different requirements at each of these sites. In order to alleviate these kinds of burdens MTAA calls for a consistent approach in addressing these issues by local councils and regulatory authorities.

Conclusions

MTAA believes that nationally consistent regulations across all jurisdictions needs to be a guiding principle when evaluation of regulation is being undertaken with a view to the identification of appropriate reforms.

**MTAA
National Secretariat
Canberra**

20 March 2008