

## Response Statutory Review of the Motor Dealers and Repairers Act 2013

**Q1. Are the current objects of the Act still valid and are there other objects that should be included? If so, please identify what these should be and why, and detail what complementary measures need to be included in the Act to give effect to these objects.**

The Auto Glass Association (AGA) believe the current objectives of the ACT are still valid and the proposed amendments are justified based on industry developments to provide adequate safety and protection to consumers.

The AGA does not contest the inclusion of Auto Glaziers as a sub class to the *Classes of Repair Work* pursuant to proposed amendments Clause 34 (c3).

The AGA do question the practical implementation and enforcement of the guiding principles underpinning this review in direct reference to the Auto Glazing Industry and will address these concerns in the following responses.

In addition it needs to be noted at the forefront that many members of the auto glass industry have already been adversely impacted this year because of natural disaster such as the fires and floods in rural and regional areas and suffered trade restrictions due to COVID-19.

The imposition of a new regulatory and licensing framework for our industry which is highly unprepared to meet the requirements at this time would only further contribute to what is already an unstable situation for most small business owners; with the ongoing stress and concerns of maintaining their financial independence and surviving these challenging times which have led to increased business closures, job losses and the deterioration of individuals mental health and wellbeing.

**Q2. Does the Act appropriately balance the interests of consumers and licence holders with the broader objects? Please provide comments.**

The inclusion of Auto Glazing within the scope of the Act will provide consumer safety and industry protection and ensure that the Auto Glazing Industry is well positioned to address the challenges of maintaining industry competencies and ongoing upskilling of our members to ensure they remain relevant with new innovations in vehicle designs and technology.

The AGA applauds the previous amendments which led to the introduction of the current Act in 2013. The streamlined licensing of the Automotive Industry at that time has created a platform for the inclusion of specific classes of work that otherwise to date have been highly unregulated, however the current scope of these changes with specific reference to the Auto Glazing Industry will be difficult to regulate within the present industry landscape.

It is the AGA's opinion that a set of strategic measures and guidelines will need to be put in place over a set timeframe to facilitate the practical implementation of a regulatory framework that will deliver the four (4) identified objectives of the Act to a level that is satisfactory for both consumer and the repairers of the Auto Glass Industry.

The auto glass industry has for many years operated under a self-regulated regime without cause for concern, therefore any intent to regulate the industry should have a simple and practical approach.

**Q3. Are the definitions in the Act and activities regulated under the Act appropriate? If not, please state how the scope could be changed and provide examples.**

The proposed definition under Clause 34 (c3) glazing work is accepted.

As additional information to further define the structure of businesses and individuals who perform this class of work the following definitions are provided:

#### Independent

Auto Glaziers are usually a sole trader or partnership business structure who on average may have 1 to 3 individuals working for the business including themselves and perhaps another family member.

The majority of these will work both in the retail and trade sector, they are mobile conducting most installations at the customers workplace or house and some are in a workshop. They mostly operate on their own and as a result they would not have access to be supervised by a member of the Automotive Industry who may hold a qualification in the same *Class of Repair Work*.

Based on our industry data there are approx. 260 independent auto glazier operators across NSW, and they represent 90% of our industry.

#### National:

Auto Glaziers are large companies who have multiple auto glazing branches or contractors across Australia.

There are three major National Companies that currently operate in NSW - all are AGA members

- Obrien Glass have approx.48 representations across NSW a combination of National Branches and independent agents
- Instant Windscreens have approx.31 representations across NSW a combination of National Branches and independent service providers.

- National Windscreens Group have 67 Independents representing them across NSW.

Estimated total number of Auto Glaziers employed by the two major National companies is 275 (excluding independent contractors)

**Q4. Is the licensing criteria, including licence fees and duration in the Act appropriate? Why or why not? Please provide details of any changes you suggest**

In the interest of all associated entities it is essential that the following are taken into consideration when developing criteria and setting timeframes around the licencing requirements for the auto glass industry.

**Impact on our industry members:**

Forced business closures

Unemployment

Mental health Issues of our industry members (auto glaziers & suppliers) and their families

Economic and Financial because of business closures and job losses

Suppliers (the NSW market represents 30% of our industry supplier's annual sales revenue)

No ability by those few certified auto glaziers to maintain the industry installation requirements causing either unroadworthy vehicles or vehicles simply not able to be driven.

**Industries impacted if work cannot be carried out by the auto glazing industry:**

During COVID-19 in both Australia and NZ Auto Glaziers were considered an essential service and allowed to continue operating under Covid-19 guidelines. Consumers in general who will not be able to have their auto glazing repairs completed.

Insurance Companies (Smash Repair industry normally calls in an autoglazier)

Transport (school & public buses, coaches, taxis)

Freight (trucks)

Essential services (Police, Fire, Ambulance)

Essential workers (doctors, nurses " in the words of COVID anyone who has a job to go to")

To avoid the above we would recommend.

Deferred introduction of the Regulation to align with "Job Keeper" Extended end date in March 2021

Initial introduction of Motor Repairers Licensing subject to certificate licensing for individuals to be introduced at a deferred date.

The Auto Glass Association (AGA) as a major stakeholder to work closely with the Department of NSW Fair Trading to assist with maintaining records, providing resources, and guiding industry members to meet regulatory requirements.

This will enable the industry and training providers to prepare the relevant training packages including, pathways from an introductory CERT II level which will assist in addressing industry skill shortages and create opportunities for entry into the industry; and segmentation for long term industry members via a structured programs focused on Recognition of Prior Learning (RPL).

As at 1 April 2021 enter into a “Statement of Regulatory Intent” with an amnesty period of up to 18 months that will enable industry members that enrol in the relevant Cert II or Cert III qualification as at the initial deferment date to continue to trade subject to meeting licensing requirements.

Consideration of how to manage the auto glaziers that have been in the industry with many years of actual fitting experience (+15) but may have difficulty in completing these Cert II / III courses.

**Q5. Who should be regulated (motor dealers and recyclers) under the Act? Please explain why.**

Not relevant to the Auto Glass Industry

**Q6. How should these people be regulated under the Act? For example, should persons be licensed, are the current obligations sufficient, should there be other obligations that should be considered? In your response, please provide reasons, examples and specify what you are referring to.**

Not relevant to the Auto Glass Industry

**Q7. Who should be regulated (motor vehicle repair businesses, individual tradespersons and/or supervisors) under the Act? In your response, please consider if there are other options for regulating the motor vehicle repair industry as well as the potential benefits, costs and risks of these other options**

We impose two components of the proposed licensing requirements, which are understood as.

Motor Vehicle Repairers Licence - held by the business who is contracted to complete the work and.

Motor Vehicle Repair Certificate for the individuals who are performing the repair work.

For Example:

Under the Motor Vehicle Repairers Regulations in Western Australia you must have a motor vehicle repair certificate if you carry on the business of motor vehicle repair work as prescribed in the ACT.

A motor vehicle repairer's certificate is a "licence" for individuals who:

- own a repair business and do repair work or supervise the repair work of others; or
- supervise the repair work of others; or
- works under a supervisor who does not have a certificate for the same class of repair work that you do; or
- do repair work unsupervised.

In addition, as a certified repairer you can only supervise repair work for the class of repairs for which you are qualified.

The licensing requirements need to take into consideration the following characteristics of the Auto Glass Industry and make allowances for the autonomous repairers that do not have access to be supervised by a member who holds a certificate of the same *Class of Repair Work*.

Depending on an individual's business structure, location and local market for repair work an Auto Glazier performs a percentage of trade work (e.g. smash repair work) or retail (e.g. general consumer glass replacements such as broken windscreens or replacement door side and rear glasses)

Business structures can be sole traders, partnerships, and/or national companies that use both branch and agent structures.

Auto Glaziers also complete repair work to heavy vehicles, plant equipment and machinery, school, public and private buses, police, fire and ambulance service vehicles, boats, trams, and trains.

A high percentage of this work is completed via a mobile service direct to the repairer or consumer and in most cases the work is completed by an individual who works independently.

The industry thru innovation and the industry specific supply chain has developed several tools that have enabled Auto Glaziers to work autonomously, this has created efficiencies and increased repair volumes for larger repair groups and created opportunities for sole traders.

The industry at times is inundated with repair volumes following severe weather events e.g. the 2019 Sydney and Melbourne hailstorms, these can place considerable resource impacts and to date to manage these demands assistance has been sort from interstate and overseas industry counterparts.

In the event of a State/Territory disaster or emergency upon application it would be desirable to have provisions for a temporary license to be obtainable by either a business or individual that is engaged to perform the auto glass class of repair work during such times.

**Q8. How should these people be regulated under the Act? In your answer, please consider whether qualifications and classes of repair work should be listed in the Regulation and if so, which classes should be combined, added, or removed.**

The Auto Glazier field of work has been an unskilled form of labour without any alignment with Automotive Industry training until the introduction of the Cert III in Automotive Glazing Technology (AUR32216), meaning there has never been a pre-requisite or precedent for a person working within the Auto Glazing industry to hold a trade related qualification.

Auto Glaziers are a stand-alone industry that work alongside other classes of repair work such as smash repairers and mechanics.

The qualification requirements should take into consideration the following.

Current skills base of industry - recognition for continuous years of experience and confirmed time of operating a successful business within the industry.

Competency based training modules specific to the industry and subject to a workplace assessment process.

An introductory level pathway for trainees and apprentices at a Cert II Automotive Body and Repair - Auto Glass.

Inclusion of the Cert III Auto Glazing Technology (AUR32216) which is an industry specific national qualification that focuses on the complex tasks and inherent skills of experienced auto glaziers.

Realistic time frames to complete/ obtain qualifications.

RTO funding for resourcing program development and delivery.

Increased access to subsidised training.

Alignment of all state and territory funding of training programs.

Inclusion of the repair sub class skill level, qualifications and/or experience needed to work in the auto glass industry in accordance with the Australian and New Zealand Standard Classification of Occupations.

Introducing an industry specific assessing authority for the skills assessment to manage the licensing regime and link the Auto Glass class of repair work with the current list of eligible skilled occupations

Practical access to training providers including regional and remote areas, where reliance may be heavily on one business operator to provide multiple services.

**Q9. Should there be new categories of licenses for electrical and LP gas installation repair work on caravans and recreational vehicles, or should work be completed by fully qualified licenced electrician and/or gas plumber? Please explain why.**

Not relevant to the Auto Glass Industry

**Q10. Should the dealer guarantee under the Act remain in the Act, or are the consumer guarantees under the ACL sufficient protections? Please explain why.**

Not relevant to the Auto Glass Industry

**Q11. Have relationships between insurance companies and smash repairers been improved through mandating the Motor Vehicle Insurance and Repair Industry Code of Conduct? Please explain why or why not?**

Under our present self-regulated practices Auto Glaziers work hand in hand with both insurers and smash repair businesses and have developed a collaborative approach to deliver quality workmanship, resolve issues, maintain consumer confidence, and reduce risks.

Through these relationships there is a recognised *Repairer Code of Conduct* under the Insurance Council Australia (ICA) which provides consumers and their members with a supported guarantee of customer satisfaction.

**Q12. What regulatory tools could be considered to help enforce compliance with the Act (for example, cashless payment or keeping a register)? Please provide examples.**

Industry associations such as the Auto Glass Association (AGA) to work closely with the Department of NSW Fair Trading providing resources to assist with relevant industry facts, data, trends and in maintaining records, and educating/guiding industry members to meet regulatory requirements.



**Q13. How could the Act capture innovations and developments such as new business models (for example, online sales) and emerging technologies (for example electric, hybrid and automated vehicles)?**

It is our view supported by the ICA that the responsibilities for these types of vehicles and the inherent requirements of advanced skills and knowledge associated with the present and new technologies like Advanced Driver Systems (ADAS) that are specific to a vehicles glass components such as the windscreen should fall within the skill requirements under the *Auto Glass Class of Repair Work*.

Training packages such as the CERT III in Auto glazing Technology (AUR32216) have recently been reviewed to include reference to these and a further review is currently under way by PwC Skills Australia for the inclusion of additional units of competency that will provide detailed training all the relevant components of the vehicles windscreen that are affected by new technologies and advanced driver systems.

Specific training directly linked to vehicle manufacturer requirements is provided direct to industry members by the major suppliers of calibration equipment that is used during the glass replacement process.

This area is highly governed by the insurance industry who have researched and endorsed the brand of repair equipment deemed to meet performance requirements that maintains the integrity of a vehicle, quality of repairs and workmanship and guarantees consumer safety.

**Q14. Are there any other issues in relation to the regulation of motor dealers, motor vehicle recyclers or motor vehicle repairers that should be considered as part of this review? Please provide evidence of any issues you identify and provide any suggestions you have for resolving the issue.**

No additional comments

**Q15. Please provide any other feedback or comments below.**

Responses provided by the Auto Glass Association (AGA) Limited in this submission are directly related to the Auto Glass Industry.

The Auto Glass Association (AGA) represents all facets of the Australian automotive glass industry and is fuelled by an ongoing and tireless commitment to lifting the standards. We are a central and independent resource, giving both the industry and vehicle owners access to unbiased information and advice. Our members include suppliers and fitting companies that range from large corporates, mid-size to 1-person small businesses supplying the auto glazing industry. Together our members represent 80% of the Australian auto glass installation industry.



