Media Release

Peter Styles  
Deputy Chief Minister of the Northern Territory, Minister for Business

Peter Chandler  
Minister for Transport

Automotive Industry Review puts focus on consumer and road safety

2 March 2016

A review into the Northern Territory’s Automotive Industry has confirmed industry self-regulation is the best approach for the vehicle repairer industry and that the industry is still working well with TIO following the company’s sale.

Deputy Chief Minister Peter Styles said the Territory Government had accepted a number of recommendations made by the Automotive Industry Review (AIR) including implementing an increased focus on unlicensed dealing.

Mr Styles said the Giles Government initiated the AIR in December 2014 when consultation with industry stakeholders outlined concerns over the perceived impact of the TIO sale.

“We listened to the industry’s concerns and took action by carrying out this review which consulted more than 110 NT businesses including body repairers, mechanical repairers, wreckers, auctioneers and licensed motor dealers,” Mr Styles said.

“It has found the existing industry self-regulation model is working well and there is no need for further regulation which is a very good indication the industry hasn’t been impacted negatively by the sale of TIO.

“The NT Automotive Industry is estimated to turnover around $1.3 billion in revenue annually and is represented by approximately 1,000 businesses employing around 4,000 workers, so it’s vital that we got this right.

“This review is a good result in terms of embracing a practical, risk-based and balanced approach to regulation.

“It will improve processes, reduce red tape, provide better consumer protection and road safety and ultimately help grow the Automotive Industry in the NT.”

The AIR was established to report to the Government on regulatory options in relation to: written-off vehicles; vehicle sales within the road reserve; unlicensed motor vehicle dealing; and the Motor Vehicle Insurance and Repair Industry Code of Conduct.
The review has made a number of recommendations accepted by the NT Government aimed at increasing consumer safety protections including:

- Regulation of Vehicle Reparer Standards: maintain existing protections of the Australian Consumer Law and also existing industry self regulation.
- Maintain industry self-regulation, via the Motor Vehicle Insurance and Repair Industry Code of Conduct, in relation to interactions between vehicle repairers and insurance companies.
- Written-off vehicles: exploring options to extend the obligation to notify of a written off vehicle – to include, for example, auction houses and automotive dismantlers.
- Vehicle sales within a road reserve: a focus on unlicensed dealing, road safety and developing policy on managing activities in the road reserve.
- Unlicensed dealing: education and enforcement of dealing from unlicensed premises.
- Increase assistance to MTA to build the industry’s capability and educate consumers.

Minister for Transport Peter Chandler said any measures introduced were not about shutting down private car sales but more about ensuring the safety of consumers and road users.

“I would like to thank all of those who took the time to contribute to this comprehensive review,” Mr Chandler said.

“Actions targeting unlicensed dealers are not expected to impact Territorians selling their own vehicles but they will look to protect them and buyers as well.

“The Northern Territory Government also supports the development of policy to manage activities in the road reserve but we see this policy better located under the Control of Roads Act rather than the Traffic Regulations as recommended by the Report.

“The Department of Transport is now in the process of reviewing guidelines for all activities within the road reserve, with particular regard to road safety including an assessment of the Howard Springs Road reserve.”

Under the Consumer Affairs and Fair Trading Act it is an offence to deal in vehicles without a licence and a person may be presumed to be carrying on the business of dealing if they sell more than four cars in any 12 month period.

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