



Submission to the Economic Development, Science and Innovation Committee on the Consumer Guarantees (Right to Repair) Amendment Bill

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This submission is from:

Motor Trade Association (MTA)

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Kind regards,

A handwritten signature in black ink that reads "James McDowall". The signature is written in a cursive style with a large initial 'J' and 'M'.

James McDowall

Head of Advocacy

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1. About MTA

MTA is the peak body for New Zealand's automotive industry. We represent more than 4,200 businesses that fix, fuel, buy, sell, and inspect the country's vehicle fleet – helping families and communities travel and connect safely. Our members work in general and specialist automotive repair, service stations, parts and accessories, auto electrical, new and used vehicle importers and dealers, inspection, collision repair, and vehicle recovery. Our industry employs over 140,000 people and makes up 4% of GDP, contributing significantly to the nation's economy and ensuring the mobility of Kiwis across the country.

2. Position summary

MTA opposes the Consumer Guarantees (Right to Repair) Amendment Bill.

For our industry, we believe there are significant problems with the Bill as drafted and that it will not achieve the desired outcomes of making it easier to repair goods – in our case, vehicles – nor will it divert waste away from landfill. Instead, it will put significant pressure on manufacturers and suppliers in New Zealand, to the point that some may exit the market or simply not be able to comply.

To be clear, MTA does not oppose the concept of a 'right to repair' for our industry. However, it requires more nuanced and bespoke legislation. MTA is currently working to broker a legislative solution with mutually agreeable principles across the industry – from manufacturers and original equipment manufacturer (OEM) dealers to unaffiliated general repairers. This solution would ensure that necessary repair information, specifications, and tooling are made available to suitably qualified individuals.

3. General (non-automotive) parts and repair information

While it is commendable to promote both greater consumer rights and to seek to reduce waste to landfill, this Bill will likely generate a plethora of unintended consequences due to its broad nature. Major brands could, at the very least, pass on higher costs to consumers – raising the cost of living. At worst, they could withdraw their products from the New Zealand market. The result would be less competition in various parts of the economy, further driving up prices. Servicing those products would likely be more expensive.

As an example, from April 2023 to March 2024, annual sales of televisions were 332,986 units. Expecting the manufacturer to supply repair information or carry the spare parts would be a significant burden on the supply chain. Assuming it is even practically possible, it would create additional costs in freight and storage that would likely be passed on to the consumer.

In reality, the primary cost of repair lies in the labour required to fix an item, rather than the availability of parts or repair information, making the repair process economically unfeasible for many consumer products. That is not to say the supply of information will not be an issue in the future, but at present, it is not a major factor affecting repairs in New Zealand.

With New Zealand being a small, geographically isolated nation, we see a challenge where manufacturers would be competing with increasing numbers of parallel imported products. It is unclear how the grey market would be captured by the Bill – whether responsibility lies with the manufacturer or the importer. The Bill also does not address the growing number of products sold by international e-commerce websites, for example, Temu.

Further, New Zealand’s isolation makes the “no later than 20 working days” requirement near impossible to fulfil at all times. It would mean that parts have to be brought in by air, which is costly and makes the economic case for repair even worse.

While the Bill clarifies that providing information, spare parts, software, and tools does not infringe on any intellectual property rights associated with these items, manufacturers are likely to be concerned about revealing confidential details, proprietary knowledge, or trade secrets used in the diagnosis, maintenance, or repair of products. This could be a significant concern for many OEMs, and yet another incentive to exclude New Zealand as a market.

Making it too hard to do business in New Zealand is not in keeping with promoting economic growth, while at the same time will increase demand for individually imported products from manufacturers that have little to no presence here. On the Bill’s intention to reduce landfill waste, it could actually make the situation worse by encouraging the importing of more low-cost, unreliable, and unrepairable items.

4. Automotive repair versus dumping

In its current form, we see this Bill as having the potential to be highly disruptive to the automotive industry. MTA members, including collision repairers, general repairers, and dealerships, already have effective waste minimisation protocols in place, with a range of new recycling initiatives underway. It is important to state that vehicles are not discarded due to a lack of parts or repair information.

Vehicle dismantlers also play a key role in keeping vehicles operational by providing cost-effective alternatives to new or aftermarket parts. Even at the end of a vehicle’s life cycle, most parts and components from dismantlers are repurposed. For example, steel is exported for recycling, and aluminium is repurposed either locally or overseas.

Overall, these measures contribute to a more sustainable New Zealand automotive industry by promoting resource efficiency, lowering our carbon footprint, and diverting reusable products away from landfill. We recommend that policymakers consider the progress made in existing product stewardship programmes like Tyrewise, Cool-Safe, the Battery Industry Group (B.I.G.), and the bumper repurposing project.

5. Complexities of parts supply within the automotive sector

Given New Zealand’s isolation and lack of automotive vehicle manufacturing, we are reliant on the importation of vehicle parts, resulting in longer lead times and higher shipping costs. This, combined with the unique makeup of our vehicle fleet, which includes both new and used imports, creates significant challenges within the automotive parts supply chain.

While most automotive parts suppliers maintain adequate stock levels, these can be significantly affected by factors such as collision repair rates, vehicle safety recalls, service and maintenance demands, and economic conditions, which influence consumers' ability to afford insurance excesses or pay for routine vehicle maintenance, thereby exerting additional pressure on inventory management.

In 2024, we witnessed record low first-time vehicle registrations (both new and used), with figures lower than any year since 2013. Even the COVID-impacted year of 2020 saw 10,000 more units registered than in 2024. The new light passenger and commercial vehicle market in 2024 saw 125 new models from 53 manufacturers being registered for the first time in New Zealand.

Given that the average vehicle comprises around 30,000 parts, the new 125 models released in 2024 alone could require over 3,750,000 singular parts to be made available. The sheer volume of parts requirements underscores the impracticality of including the automotive sector in this Bill.

Considering the high number of parts required per model and our geographic isolation, it is unreasonable to expect manufacturers to stock all necessary parts. Despite our robust recycling programme via dismantlers and the well-serviced aftermarket parts supply, there will inevitably be delays in parts availability.

The primary consideration for us is the size of certain parts. Smaller items can be air freighted into New Zealand at an additional cost that the consumer would bear. However, we are still dependent on overseas manufacturers having parts available at the time of order. If everything aligned, then technically these parts (if air freighted) could meet the 20-working day threshold. However, larger parts, body panels, windscreens, or items classified as dangerous goods such as pyrotechnic replacement parts for airbags must be transported by sea freight – therefore, are unlikely to meet the requirements outlined in the Bill.

6. Concluding remarks

MTA does not oppose a 'right to repair' for the automotive industry; in fact, we have openly promoted the concept for a number of years. Nor do we deny that issues of proprietary information and vertical integration are emerging and growing, be it in our industry or others. However, this Bill is far too simplistic in tackling the issue and would cause major disruptions to the economic viability of products in New Zealand. A one-size-fits-all approach, as proposed in the Bill, would be damaging and ineffective for industries like ours. If this Bill were to proceed through Select Committee, we hold the view that there should be either a dollar value cut-off or an industry exclusion clause. However, MTA reiterates that it is better for the Bill not to proceed at all. Instead, industry and policymakers should work together to develop enduring, industry-specific solutions.