

Motor vehicle industry *newsletter*



Department of Consumer
and Employment Protection
Government of Western Australia
Motor Vehicle Industry Board

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Message from the MVI Board



Virginia Seymour
Chairperson
Motor Vehicle Industry Board

Time running out for certification

The Board has been disappointed with the slow take up process for certifying repairers.

There are more than 4000 repair businesses in Western Australia and each of those businesses will have to have at least one certified repairer supervisor in each of its workshops. In addition, every mobile van will require a certified repairer. Currently there are just over 500 certified repairers.

All businesses must be licensed by March 2009 and a business will not be able to get a licence without a certified repairer.

I strongly recommend that you get in early and have your staff certified before the business licensing process commences early next year. This will ensure that your business licence application is processed promptly when you apply.

A certified repairers application form can be obtained from the Motor Vehicle Branch at Consumer Protection by telephoning 9282 4362 or at www.docep.wa.gov.au

Researching the nature of the repair industry

The Board is working with the Department of Consumer and Employment Protection and accountancy consultant Stamfords to examine the nature and size of repair businesses. The Board can then make decisions about future projects and the development of a fair system of licensing fees. Stamfords has been surveying repair businesses to obtain information for this purpose.

The Board's previous research has suggested that more than 4000 businesses may require repairers' licences but for the first time we have information on the size of these businesses.

Initial research suggests that about 355 repair businesses are sole traders and about 75 per cent have fewer than three repairers employed.

The research has also indicated that about 39 per cent of repair businesses employ apprentices and this is an encouraging number. The Board will be seeking to consult with industry in the future about the means of increasing this commitment to training of apprentices. About three per cent of businesses employ more than 20 staff in total or more than eight repairers.

About 25 per cent of businesses operate mobile workshops although only about 1.5 per cent operate from a mobile workshop alone. Mobile workshops will also have to be licensed as business premises. Fifty three per cent of businesses operate from more than one fixed workshop.

Finally, about 50 per cent of all repair businesses operate general mechanical repair workshops and about 13 per cent offer panel and paint services.

Motor vehicle repairers

Quite often repairers are confused about whether they need to be certified and the class of repair work they might qualify for.

Do you need to be certified ?

Motor vehicle repairers now must be certified if:

- they DO REPAIR WORK UNSUPERVISED; or
- they are the owner of a repair business and do repair work or supervise the repair work of others; or
- the repairer is an individual who supervises the repair work of others; or
- their supervisor does not have a certificate for the same class of repair work.

What classes of repair work would you need?

As there are many specialist areas in the motor vehicle repair industry, 29 classes of repair work have been prescribed.

The Board recognises that some of the classes 'overlap'. This does not mean that you need to apply for extra classes. For example, to do repairs to a motor vehicle, a mechanic may need to remove a body panel or a seat. This does not mean that the mechanic needs to apply for the classes of Panel Beating Work and Trimming Work.

Following are some examples of repairers and the class of repair work they need:

1. A mechanic with a trade certificate in motor mechanics would qualify for the class of either Light Vehicle Work or Heavy Vehicle Work, depending on their training during their apprenticeship. With a Light Vehicle Work certificate you can supervise a number of other classes of repair work because of your generalist skills.
- Brake Work (BRW)
 - Cooling System Work (CSW)
 - Cylinder Head Reconditioning Work (CHR)
 - Driveline Servicing and Repairing Work (DSR)
 - Driveline Work (DRW)
 - Electrical Accessory Fitting Work (EAF)
 - Exhaust System Work (ESW)
 - Heavy Vehicle Servicing Work (HVS)
 - Light Vehicle Servicing Work (LVS)
 - Mechanical Accessory Fitting Work (MAF)
 - Motor Cycle Servicing Work (MCS)
 - Motor Cycle Work (MCW)

- Steering, Suspension and Wheel Aligning Work (SSW)
- Transmission Work (TRW)
- Underbody Work (UNW)

Please refer to the application guidelines or contact the licensing advice line (9282 4362) for further information.

2. An auto electrician with a trade certificate in automotive electrical would qualify for Electrical Work.
3. A diesel fitter with a trade certificate in diesel fitting work would qualify for the class of Diesel Fitting Work.
4. Certification for Heavy Vehicle Work, also allows the holder to carry out, or supervise, the same classes listed above under Light Vehicle Work, and the class of Light Vehicle Work.

The basic rule of thumb is that you will qualify to do what you were trained for during your apprenticeship.

Changes to the requirements for tyre fitting heavy and light

The years of experience requirements for the classes of Tyre Fitting (Heavy) Work (TFH) and Tyre Fitting (Light) Work (TFL) is now two years. To qualify for either of these classes you must complete one of the following:

- either a Certificate II in Automotive (Mechanical – Tyre Fitting & Repair Heavy) for TFH, or a Certificate II in Automotive (Mechanical – Tyre Fitting & Repair Light) for TFL; or
- show evidence that you have two years experience in each class. This evidence can be in the form of a reference from an employer, or if you own a tyre fitting business, a copy of your business name extract showing the nature of your business as tyre fitting.

Self employed repairers

Self employed repairers are often uncertain about how they can prove their experience to be certified in a certain class of repair work.

This can be done through:

- proof of completion of an appropriate qualification such as an apprenticeship;
- a registered business name which reflects the nature of the business (for example, Mike's Mechanical Repairs) held for the previous 10 years (or four years if the repair work class you need is a Certificate II equivalent); or
- copies of invoices or referee reports from customers that provide evidence the business does the type of repair for which the owner is seeking certification and has been doing so for the required period .

Motor dealers consignment trust accounts and statutory declarations

Dealers with trust accounts for consignment selling must have these accounts audited annually by 31 March. The audit report must then be submitted to the Board by 30 June each year.

Where there have been **no** deposits or withdrawals of any kind made to or taken from a consignment trust account, a statutory declaration can be used instead of an audit report. Bank fees should not be charged to consignment trust accounts. Bank fees should be paid from, and interest payments credited to, the dealer's general account.

It should be noted the only deposits that can be made to the consignment trust account are the proceeds of a consignment sale and an amount equivalent to the value of a trade-in, and the only withdrawals from the consignment trust account are those authorised by the Vehicle Consignment Contract.

Special occasion permits

Dealers are reminded that the *Motor Vehicle Dealers Act 1973* stipulates that dealers can only conduct their business from authorised premises.

Where a dealer wishes to carry on business at temporary premises in connection with a special occasion or event such as the Perth Royal Show, the dealer is required to apply to the Board for a Special Occasion Permit to authorise the use of the show premises for the period of the show and to pay the prescribed fee. The Act allows for a maximum penalty of \$5,000 where a dealer conducts business away from authorised premises.

Dealer Inspection Program goes bush

In September, officers ventured where no inspector has dared to go previously as part of the Dealer Inspection Program. Compliance Officers Jan Lim and Eddie Thorpe, assisted by Senior Compliance Officer Angelo Barbaro, packed up their swags and headed off to the heat and red dust of the North West.

Given this was the first time that dealers in the mining towns of Karratha and Port Hedland had the benefit of a visit, it was envisaged that there would be numerous compliance issues identified. While the officers were impressed by the quality of the vehicles stocked by the dealers, many failed to meet obligations to maintain proper sales records.

Dealer's Registers (Form 1), Contracts or OTPs, Vehicle Particular Forms (Forms 4 and 6) were areas requiring attention. It was quite clear that many dealers did not understand that they could only sell vehicles that fell within the category of licence they held.

Officers took the opportunity to offer advice and guidance so dealers fully understood their obligations under the relevant legislation. Dealers now know that assistance and advice is only a phone call away.

The "Motor Vehicle Repairers' Roadshow", part of the education program designed to help dealers understand the requirements of the *Motor Vehicle Repairers Act 2003*, was well received in the towns visited. Without exception, dealers and repairers were thankful for the support provided.



Broker loses civil claim

Licensed motor vehicle dealer and vehicle broker Christopher Anthony Bignell, trading as Bignell Automotive Consultants, has lost a civil claim lodged against him by a consumer. The claim centred around the sale of a vehicle to the consumer which was brokered by Mr Bignell.

The consumer engaged Mr Bignell to source a van for her. Mr Bignell negotiated the purchase of the vehicle through another dealer for \$3,500, which the consumer paid in cash to Mr Bignell on taking delivery of the vehicle.

The vehicle broke down for the first time while the consumer was driving it home shortly after taking delivery. It then broke down again (twice) within a short period of time.

Mr Bignell loaned the consumer another vehicle, which also broke down. Mr Bignell told the consumer she was responsible for the cost of repairing the damage to the second vehicle and he wanted \$3,500 to pay for the repairs.

Mr Bignell then gave the consumer two options:

- buy the first vehicle and pay for the repairs; or,
- buy the second vehicle and pay for the repairs.

As neither option was acceptable to the consumer, a complaint was lodged with Consumer Protection's Motor Vehicles Branch.

A lengthy negotiation process by Consumer Protection failed to provide a resolution and the consumer was left with no vehicle and no money.

Consumer Protection encouraged the consumer to commence civil proceedings in the Magistrates Court to recover her money. Consumer Protection provided the consumer with technical reports indicating that each of the vehicles was defective before they were delivered to the consumer.

In the Fremantle Magistrates Court on 12 September 2007, Mr Bignell was ordered to pay the consumer the full price of the vehicle (\$3,500), plus interest and costs.

The conciliation and legal process was further hampered by the fact that Mr Bignell changed his authorised premises and failed to notify the Licensing Section of the Motor Vehicle Industry Board of his whereabouts or the address of his new premises. While Mr Bignell's licence was put 'on hold' allowing him time to search for new premises from which to trade, the process of obtaining approval took more than seven months.

This is a timely reminder to all 'E' category (Broker) licence holders of their responsibility in regards to any vehicle sale/purchase that they may broker. It is the dealer's responsibility to ensure that all vehicles sold are in a safe and roadworthy condition, of merchantable quality and fit for purpose.

Access our newsletters online

You can download copies of this edition of the Motor Vehicle Industry Newsletter and all previous issues online at:

www.docep.wa.gov.au/motorvehicles



Motor Vehicles Branch

The Motor Vehicles Branch of the Department of Consumer and Employment Protection is located at the rear of 321 Selby Street, Osborne Park.

Telephone: 9282 4361 (Motor Vehicles Branch)
9282 4362 (Licensing)

Facsimile: 9282 4363

Email: consumer@docep.wa.gov.au

Website: www.docep.wa.gov.au

Postal address: Locked bag 14
Cloisters Square
PERTH WA 6850

The reception desk is open to the public between 8:30am and 5:00pm Monday to Friday (except for public holidays).

If you have any questions or feedback about this newsletter, please contact the Principal Customer Service Officer, Motor Vehicles Branch at Consumer Protection on 9282 4340 or email mnayton@docep.wa.gov.au