



Automotive Industry Review

Review into aspects of the industry in the Northern Territory

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June 2015

Final Report Recommendations and the Government's Response

Recommendation	Government Response
Criteria for the assessment of Statutory Written-Off Vehicles, as published by NMVTRC in 2011	
<p>It is recommended that best practice principles be extended through to the notification, recording and disposal of vehicles assessed as Written-off Vehicles, therefore ensuring that the information collected and recorded on the WOVR is accurate, up to date and easily understood by consumers.</p> <ol style="list-style-type: none"> 1. In consultation with Industry, explore options to broaden the requirement to notify the MVR when a vehicle has been declared a Statutory or Repairable Write-off. Explore extending from just the owner to include: owners, insurers, auction houses, auto dismantlers and other persons qualified and approved to assess damaged vehicles. <i>This could be a low cost initiative which could place little or no additional impact on business, however, it would ensure that the information captured by the WOVR is as up to date and comprehensive as possible.</i> 2. Implement procedures within MVR to ensure processing of the current manual WOVR notifications. Target processing should occur within five working days from lodgement. 3. Continue support for national efforts to update the current manual state based forms to a nationally integrated system of on-line lodgement. 4. Review the progress of the implementation of the new criteria for the classification of statutory write-offs in twelve months. 	<p>Supported</p> <p>Supported</p> <p>Supported</p> <p>Supported</p>
Guidelines relating to the management of vehicles within road reserves	
<ol style="list-style-type: none"> 5. The DoT commissions an independent road management safety review on the operation of the Howard Springs Road Reserve. 6. The DoT, as a matter of urgency, develops policy aimed at managing activities on road reserves, including the reinstatement of regulation 34 to the <i>Traffic Act</i> and any other legislative changes by December 2015. 	<p>Supported</p> <p>Partially supported. The management of activities on road reserves on Northern Territory roads is considered to be more appropriately dealt</p>

Recommendation	Government Response
<p>7. The DoB undertakes an investigation of possible examples of unlicensed dealing in road-reserves with a concerted effort to pursue and prosecute offenders.</p>	<p>with by the <i>Control of Roads Act</i>, and the issues identified are being considered as part of the current review of the <i>Control of Roads Act</i>. The Department of Transport will, as a matter of urgency, develop policy aimed at managing activities on road reserves.</p> <p>Supported</p>
<p>Part 10 of the Consumer Affairs and Fair Trading Act (CAFTA) with respect to unlicensed dealing</p>	
<p>8. The DoB undertakes an urgent investigation of possible examples of unlicensed dealing and dealing from unlicensed premises.</p> <p>9. The DoB implements an education program with respect to the unlicensed premises, firstly targeting businesses with vehicles displayed as 'for sale' on their premises. Education program to be followed by an enforcement program aimed at recalcitrant offenders.</p> <p>10. To ensure that enforcement practices are not biased against legitimate business operators that Part 10 Section 129 (1) (b) be amended to read: Permit a motor vehicle which is offered for sale or intended to be offered for sale, in the course of the dealer's business as a dealer, to be on land (including a public place) 'immediately' adjacent to the place of business specified in the licence.</p> <p>11. Review progress of Education and Enforcement programs in twelve months.</p>	<p>Supported</p> <p>Supported</p> <p>Further consideration will be given to amending section 129(1)(b) including consultation with the Commissioner for Consumer Affairs.</p> <p>Supported</p>
<p>A regulatory regime for vehicle repairer standards (repair standards and parts standards)</p>	
<p>12. Continue with the current system of not requiring operational licences for both mechanical and body repairers. <i>This approach relies on the provisions of the Australia Consumer Law, allows for normal business practices, professionalism, reputation and customer satisfaction and acknowledges the other compliance; government,</i></p>	<p>Supported</p>

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<p><i>supplier, franchise arrangement, already in place. The current system also permits the variety of business models operating and acknowledges the difficulty of applying a licence model to suit all business types in this sector.</i></p> <p>13. Continue with the current system where the Motor Vehicle Insurance and Repair Industry Code of Conduct and the requirement of the Insurers and consumers provide the basis for the Body Repairers operations.</p> <p>14. Continue the NT Government support of the Industry Association. If required provide targeted support, either financial or in-kind to enable the association to provide on-going support for the training needs of industry, business development programs for industry or assistance with dealing with government initiatives, (e.g. OH & S or Environmental).</p> <p>*Amended Recommendation 14: The NT Government increases support of the Industry Association through either financial or in-kind support to enable the association to provide consumer education and information programs, ongoing industry training, business development programs for industry or assistance with dealing with government initiatives, (e.g. WHS or Environmental).</p>	<p>Supported</p> <p>See Amended Recommendation 14 below</p> <p>Supported</p>
<p>A regulatory regime for the Motor Vehicle Insurance and Repair Industry Code of Conduct</p>	
<p>15. To continue as present where the operation of the Motor Vehicle Insurance and Repair Industry Code of Conduct is not mandated by the Northern Territory Government, which is consistent with all other Australian jurisdictions other than NSW.</p>	<p>Supported</p>

* The Steering Committee put forward an amended recommendation for Government’s consideration.

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Abbreviations

ABS	Australian Bureau of Statistics
AMIF	Australian Motor Industry Federation
AMBRA	Australian Motor Body Repairers Association
AADA	Australian Automotive Dealer Association
AANT	Automobile Association of the Northern Territory
ACL	Australian Consumer Law
CAFTA	Consumer Affairs and Fair Trading Act NT in place 2015
CAC	Code Administration Committee
CCAAC	Commonwealth Consumer Affairs Advisory Council
DoB	Department of Business
DoT	Department of Transport
FCAI	Federal Chamber of Automotive Industry
ICN	Industry Capability Network
LMVD	Licensed Motor Vehicle Dealers
MTAA	Motor Trades Association of Australia
MTA NSW	Motor Trades Association – New South Wales
MTA NT	Motor Trades Association Northern Territory Inc.
MTA SA	Motor Trades Association South Australia
MVIRICC	Motor Vehicle Insurance and Repair Industry – Code of Conduct
NEVDIS	National Exchange of Vehicle and Driver Information System
NMVTRC	National Motor Vehicle Theft Reduction Council
PPSR	Personal Property & Securities Register
RTA	Road Traffic Authority
RWO	Repairable Write-off
SWO	Statutory Write-off
SRS	Supplementary Restraint System
TIO	Territory Insurance Office
VIN	Vehicle Identification Number
WOVR	Written-off Vehicle Register

Executive Summary

This review was commissioned by the Northern Territory Government to examine five major issues of concern to the Motor Trades Association (NT) Inc. (MTA (NT)).

The Terms of Reference for the review focus on presenting industry feedback and options for the Government's consideration regarding:

- written off vehicles;
- guidelines relating to management of vehicle sales within the road reserve;
- a review of Part 10 of Consumer Affairs and Fair Trading Act (CAFTA) with respect to the above for unlicensed dealers;
- a regulatory regime for vehicle repairer standards (encompassing repair standards and parts standards); and
- a regulatory regime for a Motor Vehicle Insurance and Repair Industry Code of Conduct (MVIRICC).

The Department of Business (DoB) and the Department of Transport (DoT) were tasked with supporting this review. Industry was represented on the Steering Committee by MTA (NT) and the Automobile Association of the Northern Territory (AANT). The Steering Committee was jointly chaired by the CEO, DoB together with the President (or nominee) of MTA (NT).

In the Northern Territory the automotive industry is a significant employer and through a range of businesses the combined industry is estimated to turnover \$1.3 billion in revenue per annum, and is represented by approximately 1,000 businesses employing an estimated 4,000 employees. (*MTA (NT) Presidents Report 2014*)

The Australian Automotive Industry, is currently facing huge pressure and is experiencing a period of rapid change. Many of the existing business practices and models may need to adjust and solutions to new issues or changed conditions will need to be found.

The scope of the Review Report will focus on consumer protection, adherence to pricing and national competition principles, business growth opportunities, and minimising red tape.

Industry Forums were conducted in Darwin, Katherine & Alice Springs. Attendance was disappointing, however excellent co-operation was received from all business operators when one-on-one visits were held at their premises; 110 businesses, in various sectors of the automotive industry sector were consulted during the review. Reference material from other jurisdictions was examined with particular emphasis to all matters covered by the Terms of Reference.

The MTA (NT) provided the Steering Committee with a written submission of their findings and recommendations.

The matters under investigation fall into three distinct areas and all have significant implications for business and consumers in the NT.

Firstly, with regards to the introduction of the updated criteria for assessing damage to vehicles after accidents. Information regarding written-off status is gathered nationally and is available to the public through the national Written-off Vehicle Register (WOVR). The Northern Territory was the last jurisdiction in Australia to introduce these standards. These more stringent guidelines ensure that there is less chance of potentially unsafe vehicles being classified as a Repairable Write-off (RWO). During the Review process the DoT was able to finalise the necessary changes, to computers and regulations, to enable the introduction of these guidelines from 1 June 2015. During the consultation process, all businesses visited were supplied with information regarding these changes. Since January 2012, the Personal Property and Security Register (PPSR) has significantly improved consumer and business protection. One on-line search provides details of the Written-off status of a vehicle together with information regarding any outstanding financial interests.

Secondly, the issues of road reserve sales and the unlicensed dealing provisions of Part 10 of CAFTA; these matters are inherently linked. LMVD (Licensed Motor Vehicle Dealers) business representatives held, and expressed, strong views regarding these issues. They expressed concern about the prevalence of the problem and pointed out that they believe that many of the sales currently being made on road reserves are not private to private sales, but instances of unlicensed dealing. They also expressed their frustration that nothing was being done about the problem. There was strong opposition to the NT Government sanctioning the use of Crown Land for use as a de-facto car yard. Respondents pointed out the traffic and safety issues, the visual pollution the Howard Springs area causes, especially at the entry to the city, and the general 'unfairness' of this government support. Dealers also pointed out that the condition of the vehicles being displayed would not be allowed on a licensed premises (e.g. interstate registered vehicles, un-roadworthy vehicles).

The other two issues under review involved repair businesses, mechanical and body repairers. There are presently significant changes affecting these businesses, issues regarding

competition, staffing, investment, technology and regulations. The review's task was to examine this industry sector, obtain feedback from operators, and ascertain whether or not the establishment of a mandated operating regime would improve outcomes for industry or consumers.

During the consultation process it became obvious that these are extremely diverse businesses, ranging from small, one-man repair shops to large, modern multi-franchised dealerships. Significant differences exist in staff levels and skills, business practices, investment, equipment levels and facilities. There are also many businesses operating that have arrangements with outside organisations; franchisees, manufacturers and insurance companies, who are involved in the standards under which these businesses operate.

Most importantly, for the Body Repair sector, is the Insurance Companies, through contractual arrangements these insurers enforce standards, equipment levels and staff skills. Approximately 90% of the work undertaken by these businesses is authorised through insurers. Mechanical Repairers are another diverse group, ranging from micro sized to large sophisticated organisations. Many repairers are partnered with a franchise arrangement (e.g. Repco) or are Dealership repair centres. These arrangements also have significant impact on staffing, training, equipment and facilities.

Any evaluation of a possible licensing system should be assessed against likely outcomes. Arguments in support of a licensing system usually point to improved standards for business and better protection for consumers, however, in NSW (a jurisdiction that requires both businesses and tradespeople to be licenced) the recent Select Committee, July 2014, found examples of significant problems and instances of poor or sub-standard repairs. Australia's leading automotive industry association, AMIF, suggest "[A]s it is unlikely to ever get uniform pragmatic government solutions to these issues, industry must impose self-regulation, adopt value added services, increase business acumen and where necessary, potentially even advocate change to business models or services." (2015, p. 23) In the Northern Territory this review found that business was overwhelmingly against the introduction of a licensing/regulatory system.

The review found no evidence to suggest that industry members in the Northern Territory supported the introduction of a mandated licensing system. Results showed that 76%

supported the current system. No evidence was found to suggest that these changes would impact consumer protection provisions. Current consumer protections for repairs and services are covered under the Australian Consumer Law which also includes protections for consumers purchasing vehicles through licensed vehicle dealers. No consumer protection exists for consumers purchasing vehicles on road reserves.

The MTA (NT) is the leading automotive industry association in the Northern Territory and successive governments have supported the activities of this association. The NT Government can ensure that this vital industry is equipped to meet future challenges by continuing to support the work that MTA (NT) does for the industry.

This report has been structured with each issue being reviewed and discussed in detail. Each chapter includes the findings and proposed recommendation for each issue. Linkages and common matters have been discussed and reviewed.

Key Findings:

Item 1: Review progress to adopt the updated criteria for the assessment of Statutory Written-off Vehicles, as published by the NMVTRC in 2011.

- In July 2011 new national assessment criteria was developed by the National Motor Theft Reduction Council (NMVTRC) for the Classification of Statutory Write-offs. These guidelines came into effect in the Northern Territory on 1 June 2015.
- The updated criteria is expected to result in a 20% decrease in the amount of vehicles classified as RWO.
- There are three classifications of Written-off Vehicles:
 - 1) Statutory (SWO) unable to be re-registered, (unless in exceptional cases) available for parts or wrecking only.
 - 2) Repairable Write-off (RWO), able to be re-registered in all states other than NSW – extensive repairs and comprehensive inspection required.
 - 3) Un-recovered – stolen vehicles still un-recovered.
- In the NT it is the responsibility of the owner to notify the (MVR) when a vehicle is written-off. Notifications can also be made on behalf of the owner by Insurance Companies or through their assessors, motor dealers and either MVR or other persons qualified and approved to assess damaged vehicles.
- Individuals and businesses are encouraged to check vehicle status on the PPSR. One check provides a report which details security/financial interests recorded against a vehicle together with information regarding the vehicle's written off status. The

inclusion of accurate, timely information is essential to ensure the veracity of this system.

- Notification of a Total Loss is to be made within 14 days.
- The DoT, through the MVR is the responsible agency
- A review of the DoT requirements surrounding re-registering vehicles previously declared a RWO indicates they incorporate best practice goals as defined by the NMVTRC.
- MVR results show a 50% decrease in re-registration of RWO since adopting stringent requirements regarding repairs for RWO in December 2012.

Item 2: Review guidelines relating to the management of vehicles within road reserves.

- Road Reserve Sales are often seen as part of an overall clean city and traffic management process and because of this, the practice is usually an offence and enforcement is through Local Government.
- All main regional Local Governments have By-laws in place which make it an offence to display a vehicle for sale in a public place.
- In Katherine, Palmerston and Darwin the issue is complicated by the provision of Crown Land, not subjected to Local Government By-laws. Previous provisions under Regulation 34 regarding activities on road reserves were rescinded some years ago.
- The issue of Road Reserve Sales is intrinsically linked to the problem of unlicensed motor dealing.
- Feedback from LMVD suggests that there are some people using the road reserves who are engaging in unlicensed dealing and the provision of these display areas in Howard Springs and Katherine compromises legitimate business operations. Evidence has been collected by MTA (NT) and passed onto DoB.
- Sales through LMVDs are subject to the provisions of Part 10 of the Consumer Affairs and Fair Trading Act. These businesses operate with reference to all Australian and Territory legislations and regulations, regarding GST, taxation, the environment, occupational health & safety, vehicle safety and consumer protection; unlicensed dealers are not subject to any of these safeguards.
- During the consultation process it was suggested that normal consumer and fair trading controls are absent on Crown Land.
- During the consultation process concerns were raised about the provision of adequate traffic management or safety controls at the land used for vehicle display at Howard Springs and in Katherine.

Item 3: Review Part 10 of the Consumer Affairs and Fair Trading Act (CAFTA) with respect to unlicensed dealing.

- Licensed Dealers operate in the Northern Territory under the provisions of Part 10 of CAFTA. This legislation controls the way in which a LMVD business is conducted and the way licences are granted, processed, and renewed.
- Part 10 deals with Dealing from unlicensed dealings, unlicensed premises and breaches of licence conditions.
- During the consultation process observations and reports indicated that the degree of unlicensed dealing in the Northern Territory is extensive.
- Part 10 of CAFTA places the onus of proof onto the individual/corporation who sells more than four or more motor vehicles during any twelve months period, they are presumed to be carrying on a business selling motor vehicles unless they prove otherwise.
- Unlicensed Dealing has a significant impact on legitimate business operators and is a substantial drain on taxes and charges which are being avoided.

Unlicensed Premises and breaches of licence conditions:

- Licensed dealers appear to be the only target of enforcement practices. Some Dealerships have received infringement notices for vehicles parked on land immediately adjacent to their licensed premises. During trading hours it could be expected that normal operations may involve temporarily parking vehicles on land immediately adjacent to business premises.

Item 4: Undertake a review of industry support for a regulatory regime for vehicle repairer standard (repair standards and parts standards).

- No legislation exists in the NT to license or regulate businesses operating as Mechanical or Body Repairers, other than the normal business license requirements.
- Licensing of Repairers is not handled consistently across Australian jurisdictions, there are three jurisdictions in Australia which require businesses and tradespeople operating in this sector to hold licences; ACT, NSW and WA.
- Motor vehicles have become increasingly complex, and now include a range of technological advances and innovations. Many modern vehicles are manufactured using advanced metals and other new technology.
- The rapid rate of change in vehicle design and manufacture raises concerns for industry and consumer groups for issues surrounding consumer protection, consumer choice, quality of repairs, access to repair information and the viability of the industry.
- In the NT, Mechanical Repair businesses range from small single operators to large multi-franchised dealerships.
- Mechanical Repair businesses fall into three distinct types, Manufacturer Approved Service Centres or Dealerships, Franchise type repair arrangements (e.g. Repco) and Independent Operators. There is no common repair source for Mechanical Repairers.

- In the NT, Body Repair businesses are represented by a range of business types, significant differences exist in terms of size, number of employees, standard of facilities, level of equipment and the systems in place.
- The Body Repair sectors links with Insurance are extremely complex. This sector relies on Insurance work for up to 90% of the work undertaken.
- Body Repair businesses are significantly influenced by the Insurance Companies they have contractual arrangements with.
- Some Insurance Companies have developed grading and audit processes which they require prior to building business relationships with Body Repairers.
- Some vehicle manufacturers have approved repair relationships with Body Repairers.
- Body Repair businesses in the NT are family owned small to medium businesses.
- During the consultation process there was no evidence or suggestion that insurers were attempting to supply parts for the repairs, either genuine, non-genuine or parallel parts, nor was there evidence of wide spread requests to use second hand parts.
- Consumers are protected by the requirements of the Australian Consumer Law which requires that services and repairs are undertaken with “due care and skill”.
- The Consumer Affairs Department advised that the level of complaints against all aspects of the automotive industry is very low and did not represent an abnormal or concerning number.
- Only 24% of the industry respondents interviewed during the review supported the introduction of a licensing/regulatory system, regardless, whether it was administered by NT Government or an Industry Association.
- There is an obvious reluctance for most Governments, including the Australian Government and bodies such as the Productivity Commission to impose additional regulatory burden on business or industry, with the preference being self-regulation.
- The peak Industry Association, AMIF recommends industry led self-regulation as best process. They suggest that “it is unlikely to ever get uniform pragmatic government solutions to these issues, industry must impose self-regulation, adopt value added services, increase business acumen and, where necessary, potentially even advocate change to business models or services.”

Item 5: Review a regulatory regime for a Motor Vehicle Insurance and Repair Industry Code of Conduct.

- There has been a long history of poor relations between body repairer and the Insurance industry from the 1960s onwards.
- Ten years after it had first been recommended by an official government inquiry, the first Code of Conduct was published in June 2006.
- The Motor Vehicle Insurance and Repair Industry Code of Conduct is administered by the Code Administration Committee which is made up of three appointees from the

Insurance Council of Australia and three appointees of Motor Trades Association of Australia.

- This national Code of Conduct, amongst other things, requires vehicle repairers to repair and Insurers to authorise repairs, aimed at restoring the safety, structural integrity, presentation and utility of a repaired vehicle, and to carry out repairs in accordance with:
 - All relevant Australian Government, State and Territory legislation;
 - Documented vehicle manufacturers' technical specification;
 - Lawful vehicle specifications and/or standards;
 - In the absence of manufacturers' specifications, accepted industry standard practice.
- A review of the proposed draft changes to the Code reveal: the introduction of an Approved Arbitration Scheme established by CAC; greater clarity with respect Insurer and Repairer relations; the introduction of Code approved assessors; greater clarity with respect to Estimate, Repair and Authorisation Process; increased clarification under signatory disclosure obligations; and inclusion of a clause that indicates CAC can be called upon to interpret clauses in the Code.
- During the consultation process respondents advised that although not perfect, the Code of Conduct has come a long way and relationships with Insurers has improved, with online quoting and improved payment of accounts by insurers.
- Some respondents advised that they were currently involved with both Manufacturer and/or Insurance company assessment and grading processes; these assessments include a review of facilities, staff skills and equipment levels.
- Consumers are protected by the requirements of the Australian Consumer Law which requires that services and repairs are undertaken with "due care and skill".

Recommendations:

Item 1.

It is recommended that best practice principles be extended through to the notification, recording and disposal of vehicles assessed as Written-off Vehicles, therefore ensuring that the information collected and recorded on the WOVR is accurate, up to date and easily understood by consumers.

1. In consultation with Industry, explore options to broaden the requirement to notify the MVR when a vehicle has been declared a Statutory or Repairable Write-off. Explore extending from just the owner to include: owners, insurers, auction houses, auto dismantlers and other persons qualified and approved to assess damaged vehicles. *This could be a low cost initiative which could place little or no additional impact on business however, it would ensure that the information captured by the WOVR is as up to date and comprehensive as possible.*
2. Implement procedures within MVR to ensure processing of the current manual WOVR notifications. Target processing should occur within five working days from lodgement.

3. Continue support for national efforts to update the current manual state based forms to a nationally integrated system of on-line lodgement.
4. Review the progress of the implementation of the new criteria for the classification of statutory write-offs in twelve months.

Recommendations:

Item 2.

5. The DoT commissions an independent road management safety review on the operation of the Howard Springs Road Reserve.
6. The DoT, as a matter of urgency, develops policy aimed at managing activities on road reserves, including the reinstatement of regulation 34 to The Traffic Act and any other legislative changes by December 2015.
7. The DoB undertakes an investigation of possible examples of unlicensed dealing in road-reserves with a concerted effort to pursue and prosecute offenders.

Recommendations:

Item 3.

8. The DoB undertakes an urgent investigation of possible examples of unlicensed dealing and dealing from unlicensed premises.
9. The DoB implements an education program with respect to the unlicensed premises, firstly targeting businesses with vehicles displayed as 'for sale' on their premises. Education program to be followed by an enforcement program aimed at recalcitrant offenders.
10. To ensure that enforcement practices are not biased against legitimate business operators that Part 10 Section 129 (1) (b) be amended to read:
Permit a motor vehicle which is offered for sale or intended to be offered for sale, in the course of the dealer's business as a dealer, to be on land (including a public place) 'immediately' adjacent to the place of business specified in the licence.
11. Review progress of Education and Enforcement programs in twelve months.

Recommendations:

Item 4.

12. Continue with the current system of not requiring operational licences for both mechanical and body repairers. *This approach relies on the provisions of the Australia Consumer Law, allows for normal business practices, professionalism, reputation and customer satisfaction and acknowledges the other compliance; government, supplier, franchise arrangement, already in place. The current system also permits the variety of business models operating and acknowledges the difficulty of applying a licence model to suit all business types in this sector.*

13. Continue with the current system where the Motor Vehicle Insurance and Repair Industry Code of Conduct and the requirement of the Insurers and consumers provide the basis for the Body Repairers operations.
14. Continue the NT Government support of the Industry Association. If required provide targeted support, either financial or in-kind to enable the association to provide ongoing support for the training needs of industry, business development programs for industry or assistance with dealing with government initiatives, (e.g. OH & S or Environmental).

Recommendation:

Item 5.

15. To continue as present where the operation of the Motor Vehicle Insurance and Repair Industry Code of Conduct is not mandated by the Northern Territory Government, which is consistent with all other Australian jurisdiction other than NSW.

Background

This review was commissioned by the Northern Territory Government to examine five major issues of concern to the Motor Trades Association (NT) Inc. (MTA (NT)).

The Review Report will focus on presenting industry feedback and options for the Government's consideration regarding:

- written off vehicles.
- guidelines relating to management of vehicle sales within the road reserve;
- a review of Part 10 of the Consumer Affairs and Fair Trading Act with respect to the above for unlicensed dealers;
- a regulatory regime for vehicle repairer standards (encompassing repair standards and parts standards); and
- a regulatory regime for a Motor Vehicle Insurance and Repair Industry Code of Conduct.

The DoB and the DoT were tasked with supporting this review. Industry was represented on the Steering Committee by MTA (NT) and the Automobile Association of the Northern Territory (AANT). The Steering Committee was jointly chaired by the CEO, DoB together with the President (or nominee) of MTA (NT).

In the Northern Territory the automotive industry is a significant employer and through a range of businesses the combined industry is estimated to turnover \$1.3 billion in revenue per annum, and is represented by approximately 1,000 businesses employing an estimated 4,000 employees. (*MTA (NT) Presidents Report 2014*) The Australian Motor Industry Federation (AMIF) is the national industry body representing the interests of these business sectors and the MTA (NT) is a member of this Federation. The AANT is a member organisation and part of the network of Australian motoring clubs. With over 20,000 members, the AANT is the largest advocate for motorists in the Northern Territory, originally established in 1963 the AANT delivers a range of services to members including; road-side assistance, insurance and member discounts.

The Automotive Industry is a significant industry in both the Northern Territory's and the Australian national economy. Through the sale of new motor vehicles alone this industry contributes \$6.4 billion in taxes and other charges to Federal, State and Territory Governments. (FCAI, 2015 p. 2) The automotive industry is the largest small-business sector in the Australian economy and together it generates a combined turnover of approximately

\$208 billion per annum, with over 100,000 businesses, with some 320,000 employees. (AMIF, 2013)

Much has been written in recent years about the vehicle and component manufacturing industries in Australia, about their on-going viability and the role of Government, however, these businesses make up only 25% of the automotive industry and the remaining 75% is comprised of businesses in the retail, service, repair and recycling sectors of the industry. (AMIF, 2013)

These businesses include those involved in the sale of new and used vehicles, servicing and mechanical repair businesses, accessory sales and parts replacement, tyres, windscreens, petrol stations, body repair and parts recycling and many more. In addition to these businesses there are also firms set up to cope with the financial matters related to the automotive industry; with finance, lease and insurance companies, extended warranty suppliers, road-side assistance; and all of these organisations operate in one of the most competitive and regulated business environments in Australia. In the Northern Territory there are a range of businesses involved in most aspects of the industry, these businesses range in size from micro businesses to large complex sophisticated organisations.

The Australian Automotive Industry, is currently facing huge pressure and is experiencing a period of rapid change, many of the existing business practices and models may need to adjust and solutions to new issues or changed conditions will need to be found. In a position paper prepared by AMIF entitled *An Industry at the Crossroads* they catalogue a host of factors which are change drivers for the Automotive Industries *“The combined impacts of globalisation; increasing environmental concern; shifting consumer behaviours; a unique automotive market; rapid application of significant technology advances; automotive systems integration; workforce shortages; changing occupation and skill requirements; and a distinct lack of whole-of-industry public policy (rather than just automobile manufacturing); have created a period of unprecedented change that has dramatically impacted traditional business models, product and service provision and consumer relationships.” (2015 p. 3)*

Adjustments are already happening, business practices and models are already changing to take these conditions into account; for example, in the retail sector there has been a move away from small independent businesses; with ever decreasing margins and increasing costs,

there is a move towards larger multi-franchised businesses or even ownership by public listed companies. Some service businesses are moving to specialise in particular areas or on particular brands or models, some businesses are under significant financial pressure while some are choosing to sell or close. Auto Skills Australia (2013) found that on average 450 small businesses were closing each year, these small businesses had previously been employing anywhere from one to nineteen staff members.

Both in the Northern Territory and in the broader Australian industry, skill and staff shortages are a significant issue. Research by Auto Skills Australia in 2013 reported that national employment, in the Industry, during the previous 12 months, fell by 16,000 full time positions. Approximately 2,700 of these positions were in manufacturing and more than 13,000 positions disappeared in the service and repairs sectors. Despite these statistics the research also found that there is a significant skill shortage in some areas, with 19,000 skilled mechanics required nationally. (*Submission to the Productivity Commission Review of the Australian Automotive Manufacturing Industry prepared AMIF (2013)*)

The Northern Territory has always had its own skill shortage issues and in recent years these have been exacerbated by the workforce needs of large infra-structure projects. Some of these issues have been addressed by employers using regional visa options which enable employers to bring workers into the Territory using 457 Visas.

Australia has one of the highest concentrations of vehicle ownership in the world with 756 vehicles for every 1,000 people. Physical distance, remoteness and the lack of a comprehensive public transport system all seem to contribute to this high rate. In the Northern Territory the rate is significantly lower, estimated at 627 vehicles per 1,000 residents and there may be some factors peculiar to the Northern Territory affecting this statistic including the number of un-registered vehicles in communities and regional centres. The Australia Bureau of Statistics put the number of vehicles in the Northern Territory in January 2014 as 152,177 or .09% of the total Australian vehicle fleet. (ABS, 9309.0 Jan 2014)

Terms of Reference

The Terms of Reference for this enquiry asked the Committee to report on the matters relating to the specific issues affecting the Automotive Industry in the Northern Territory and to make enquiries of businesses and traders regarding these issues.

The Steering Committee was set up to represent the key stakeholders of this Review. Government represented by The DoB and the DoT and Industry represented by the Motor Trades Association (NT) Inc. and the Automobile Association of the Northern Territory. (AANT)

Scope of Review:

The scope of the Review Report will focus on consumer protection, adherence to pricing and national competition principles, business growth opportunities, and minimising red tape.

The Review Report will focus on presenting industry feedback and options for the Northern Territory Government's consideration regarding:

- written off vehicles. The consultation with industry on legislative amendments for written off vehicles will be managed within the first two months of the review period;
- guidelines relating to management of vehicle sales within the road reserve;
- a review of Part 10 of Consumer Affairs and Fair Trading Act with respect to the above for unlicensed dealers;
- a regulatory regime for vehicle repairer standards (encompassing repair standards and parts standards); and
- a regulatory regime for a Motor Vehicle Insurance and a Repair Industry Code of Conduct.

While this Report has been structured to respond to each of the points in turn many of the issues have linkages and these will be explored as much as possible to ensure that the options presented give a comprehensive view to Government.

Methodology

The findings of report are the result of Territory wide consultations with industry participants, a written submission from MTA (NT) and targeted consultations.

Industry Forums were conducted in Darwin, Katherine & Alice Springs. Attendance was disappointing, however excellent co-operation was received from all businesses operators when one-on-one visits were held at their premises.

A review of reference material from other jurisdictions was made with particular emphasis to all matters covered by the Terms of Reference. Of particular interest was the current situation in New South Wales (NSW). NSW have the most regulated industry requirements and particular attention was paid to research into the effectiveness of this approach together with the results of their recent Select Committee Inquiry into the Motor Vehicle Repair Industry. (July, 2014).

Although not finalised the consultants were provided with a copy of the final draft document from the Motor Vehicle Insurance and Repair Industry Code of Conduct's current review. The assistance of the Chairman of this Review, Mr. Peter McMahon is appreciated.

Over 115 businesses in the Northern Territory were consulted, the businesses visited were identified from a number of sources: body repairers that are signatories to the Motor Vehicle Insurance and Repair Industry Code of Conduct (MVIRICC), members of the MTA (NT), members of AANT Authorised Repairers Scheme, (whose members cover both mechanical and body repairers) Licenced Motor Vehicle Dealers (LMVD), Industry Capability Network (ICN) listing, other business listing databases together with consultant's own knowledge of industry participants and other businesses identified whilst undertaking the consultation process.

A range of questions were put to these business operators to gauge their support and opinions to the matters under review. These discussions, interviews and forums provided the evidentiary basis for the recommendations contained in this report.

The MTA (NT) provided the Steering Committee with a written submission with their findings and recommendations.

Written-Off Vehicles

The Written-off Vehicle Register (WOVR) was an initiative of the National Motor Vehicle Theft Reduction Council (NMVTRC). *“The NMVTRC is an independent, non-profit organisation established by all Australian governments and the insurance industry.” “Council is drawn from major national bodies whose systems and practices have a direct impact on vehicle theft. This includes government justice and transport agencies, insurers, vehicle manufacturers, the motor trades and motoring associations.”* (CarSafe, Who are We NMVTRC)

All States and Territories endorsed the introduction of a WOVR and enacted legislation in each jurisdiction to give it effect. In June 2004 NMVTRC presented a report “Post-implementation Review Phase II, Improving the Consistency of State and Territory Written-Off Vehicle Management”. In this report they highlight some of the issues caused by different reporting and classification issues. At this stage the WOVRs were state based and not linked to the financial interest information contained on the Register of Encumbered Vehicles (REV).

In January 2012 with the introduction of the Personal Property Security Register (PPSR) all of this information was able to be combined into a national database. This national register now links information from all States and Territories, on vehicle financial/security interests together with written-off status. Substantial effort went into establishing the National Exchange of Vehicle and Driver Information System (NEVDIS) as the system which interfaces nationally, using Vehicle Identifiers it allows all jurisdictions to share information on vehicle registrations, history, as well as the stolen and written off status this system was introduced in May 2001.

In July 2011 the NMVTRC published new and more stringent assessment criteria in their publication, *Damage Assessment Criteria for the Classification of Statutory Write-offs* since then all other Australian jurisdictions have amended their regulations and requirements in line with these new standards. The DoT has been working to ensure that these new guidelines can now be adopted in the Northern Territory. Necessary changes have been made to the Administrative Regulations and the computer systems involved and we are advised that these changes came into effect from 1 June 2015. *During the consultation process of this review significant attention has been given to ensuring that affected businesses are aware of these changes and that updated information on the process was distributed.*

There are three classifications of Written-off Vehicles:

Statutory Write-off (SWO), these vehicles have been assessed as a Total Loss and meet the requirements of the Criteria. Can never be re-registered in any Australian jurisdiction only available wrecking or parts.

Repairable Write-Off (RWO), these vehicles have been assessed as a Total Loss, however they do not meet the criteria for a SWO and although requiring extensive repairs are assessed as able to be repaired to a safe re-registered state. These vehicles can be re-sold as RWO and their condition will be recorded as such on the WOVV.

Unrecovered Write-off, these are stolen vehicles which have not been recovered.

The WOVV is an integral component of the NMVTRC's work and has led to a substantial reduction in professional vehicle theft and an increase in consumer protection. Experience in other states would indicate that with the adoption of the more stringent standards from the new damage criteria assessment guide that approximately an additional 20% of the vehicles previously classified as RWO will now be classified as a SWO. Observations from one Auction House suggested that this assessment may be considerably understated.

Currently the PPSR provides an excellent tool for businesses and consumers to research a vehicle's status. To ensure the reliability of this data, it is crucial to make sure that the information is accurate, consistent and up to date across all jurisdictions. Consumers purchasing vehicles, from any source, can pay a small fee and find information regarding any financial interest on a vehicle, whether the vehicle has ever been declared as either a repairable or statutory write-off or whether the vehicle is the subject of a stolen vehicle report.

In the NT it is the responsibility of the owner to notify the Motor Vehicle Registry (MVR) when a vehicle is written-off. Notifications can also be made on behalf of the owner by Insurance Companies through their assessors, motor dealers and either MVR or other persons qualified and approved to assess damaged vehicles; this notification is to be made within 14 days. Under South Australian (SA) legislation the responsibility to make the notification has been extended to include motor vehicle dealers, auction houses, vehicle wreckers and fleet owners while still including assessors and self-insured owners. The notification must be made within 7 days.

Jurisdiction	Notifiers	Day to notify after declaration as Total Loss
South Australia	Private Owners, Insurers, Auto Recyclers, Auction Houses, Motor Vehicle Dealers	7 days
New South Wales	Insurers, self-insurers, Motor Vehicle Dealers, Auto Recyclers	7 days
Victoria	Insurers, self-insurers, Auto Dismantlers, Motor Vehicle Dealers, Auction Houses	7 days
Tasmania	Insurers, Auction Houses, Auto Dismantlers, Loss Adjusters. – (Not owners)	Not specified
Western Australia	Insurers, assessor, Motor Vehicle Dealers, Auto Dismantlers, Hire Car Companies, Auction Houses.	7 days
Queensland	Private Owners, Insurers, Motor Vehicle Dealers, Auto Recyclers, Auction Houses, Assessors	Not specified
Australian Capital Territory	Owners, Insurers, Motor Dealers, Assessors, Auto Dismantlers, Auction Houses.	7 days
Northern Territory	Owners, insurers, Assessors	14 days

Written-off vehicle notification requirements in all Australian States and Territories.

In the NT and SA there is also a requirement to affix a written-off vehicle notice to the vehicle assessed as Statutory Write-offs before it is offered for sale or auction, however in the SA legislation they include a requirement to affix a warning to vehicles classified as a Repairable Write-off. These labels ensure that possible purchasers of the vehicles are fully informed as to the vehicle status and therefore they must be affixed prior to the vehicle or the wreck being offered for sale. NMVTRC encourages Transport authorities to make a deliberate attempt to ensure that the particulars are changed and updated prior to the vehicle being offered for sale. Up to date and accurate information on the Written-off Register ensures Consumers have access to correct information and that the vehicle identifiers are not available to be used by professional thieves. In the NT, the DoT is the responsible agency for overseeing these functions through the Motor Vehicle Registry system.

To get an understanding of the size of the issue in the NT, Department staff have provided to this review statistics for the last five years. These figures include all vehicles assessed as written-off, both repairable and statutory. These figures also show the number of vehicles previously assessed as repairable write-offs which have been re-registered in the Northern Territory. A review of these statistics clearly shows that since the Department streamlined their processes in late 2012 that there has been a 50% decrease in the number of vehicles which were re-registered after being classified as a repairable write-off.

Vehicles written-off in one period may not necessarily relate to NT repairs or repaired during a later period.

Year assessed	Category	Salvage Condition	Re-Registered in the NT	Previously NT Registered	% Re-Registered
2010	Light	Repairable Write-off	352	860	40%
		Statutory Write-Off	0	154	
		Unrecovered	0	5	
		*	352	1,019	
2011	Light	Repairable Write-off	382	849	44%
		Statutory Write-Off	0	198	
		Unrecovered	1	7	
		*	383	1,054	
2012	Light	Repairable Write-off	355	821	43%
		Statutory Write-Off	0	153	
		Unrecovered	1	5	
		*	355	979	
2013	Light	Repairable Write-off	331	909	36%
		Statutory Write-Off	0	269	
		Unrecovered	1	9	
		*	332	1,187	
2014	Light	Repairable Write-off	192	929	20%
		Statutory Write-Off	0	331	
		Unrecovered	1	8	
		*	192	1,268	

Preliminary figures for the current year, to May 2015, show that 151 vehicles have been declared a repairable write-off but only four vehicles (previously classified as repairable write-offs) have been re-registered.

Prior to re-registering a vehicle which has been declared a RWO there are significant processes and safe-guards in place to ensure that the necessary repairs have been undertaken in a professional manner and only legitimate parts have been used. Once the vehicle has been deemed 'road-worthy' it is allowed to be re-registered, however the WOVR record is updated as 'repaired', but the previous damage report is not removed.

A copy of the Motor Vehicle Registry Information Bulletin V74 - Re-registration of a Repairable Write-off – is attached as Appendix 1. In a report prepared by the NMVTRC they list the items against which repair processes should be assessed to ensure best practice principles:

- *Has been repaired in accordance with the vehicle manufacturer's specified method of repair for the type of damage sustained*
- *Is safe for road use*
- *In terms of its identity – is the vehicle it is purported to be*
- *Has been repaired using legitimately acquired parts* (Judy Oswin Consulting, Best Practice Principles for Written-off Vehicle and Safety Inspections, May 2010)

The MTA (NT) expresses their concerns that some of the current processes allow for unqualified repairs and don't take into account the modern repair methods required by late model vehicles. They recommend that these vehicles are only re-registered after a full examination of the repair standards, the repairer and the parts used. However, a review of the current MVR requirements indicates that these are the steps currently required.

In all Australian jurisdictions Statutory Write-offs can never be re-registered, these vehicles can only be sold for parts or scrapping. However, Repairable Write-offs have their registrations cancelled and if they are sold, there is provision for these vehicles to be re-registered after a detailed inspection process. The only jurisdiction in Australia not to allow these vehicles to be re-registered is New South Wales (NSW) (there are limited exceptions to this rule, for example, hail damaged vehicles). The MTA (NT) have expressed concerns regarding the possible quality of these repairs and are keen to put in place a requirement that only skilled and trained persons be able to repair these vehicles. Anecdotally it is reported

that poor repair quality will affect road safety outcomes, however there is no empirical data which supports this view. The NMVTRC's report Best Practice Principles for Written-off Vehicles, May 2010 quotes the results of five years of research in Queensland that suggests less than one percent of motor vehicle accidents "are considered to be partly or totally caused, or contributed to, by vehicle defects." (p. 10) Research conducted by the NSW Road Traffic Authority (RTA) found that crash test results were replicated following both quality and poor repair processes. (Transport NSW 2014) A review of the current regulations regarding the re-registration of Repairable Write-offs indicates that the steps required, if followed, should provide effective safety protection for road users. Additional research is currently being conducted by the Monash University and these on-going studies may provide the empirical data which is currently missing. (MUARC)

Presently the Australian Government is reviewing the Motor Vehicle Standards Act, this review could free up the import of vehicles from overseas. This change, if it occurs, could impact on the systems in place that track vehicles which are either manufactured in Australia or imported under full volume arrangements. Currently vehicles are built to Australian standards and vehicle identification numbers are unique to Australia. If the importation of used vehicles is opened up along similar lines as occurs in New Zealand the number of used vehicles imported could be as high as 750,000 vehicles per annum. In their submission to Government, the NMVTRC maintain that much of the good work achieved to date with regards lowering the incidence of vehicle theft could be adversely affected by these changes. In 2014 motor vehicle theft in Australia fell to the lowest level since the 1970s. Consumers purchasing these imported vehicles will not be able to rely on the data contained on the PPSR on vehicle status and condition as the vehicles history information will be unavailable to the Australian consumer.

While not directly related to the Terms of Reference for this review the direct importation of second-hand vehicles from overseas has potential to significantly impact on many business practices in the automotive industry. Industry bodies including Australian Motor Industry Federation (AMIF), the Australian Automotive Dealers Association (AADA) and the Federal Chamber of Automotive Industry (FCAI) have all cautioned the Federal Government regarding concerns they have over this proposed initiative.

The Australian Automotive Dealers Association warns that this proposed initiative “shifts all the risks of ownership to the consumer and will ultimately hurt consumers as there is no manufacturer’s warranty and only limited enforceable protection against a non-resident supplier under Australian Consumer Law (ACL). A motor vehicle is a complex mechanical product and can’t simply be posted back if imported from an overseas Dealer or through a faceless internet transaction.” (AADA, April 2015, *big risks face consumers in proposed vehicle imports*, www.automotivedealer.com.au)

In Australia, businesses operating in the retail divisions of the industry have huge investments in property, buildings, facilities, equipment, tools, staff and staff training all aimed at selling and servicing the vehicles that are currently sold in Australia. These businesses cannot just be expected to pick up the additional responsibilities and costs associated with servicing and supporting these possible imports. AADA cautions “[T]he Government cannot expect the authorised Dealer network in Australia to assume the risks associated with a personal import. Australian Dealers have invested around \$17 billion in facilities to service the products they sell. The authorised Dealer network underpins consumer protection through its substantial investment in specialised workshop facilities, inventories of spare parts, technology and training to support the products they sell which are backed by a manufacturer’s warranty, and fixed price servicing.”

The Australian Motor Vehicle Industry is one of the most competitive in the world, 67 Brands, selling approximately 400 models, compete for a relatively small annual new car market. By global standards we have a high number of brands and a very low annual number of sales. This Graph prepared by FCAI illustrates this point. Drawing on information from *Whytcross, D. Motor Vehicle Dealers in Australia. IBISWorld Industry Report G3911, 2014. IBISWorld.*

Competitiveness of Global Markets

	Australia	Canada	UK	USA
No. brands in market	67	49	53	51
Sales per annum	1,112,032	1,620,221	2,249,483	13,040,632
Market size per brand	16,597	33,066	42,443	255,699

The Automotive Retail Industry is a significant industry in the Australian economy and with annual sales of approximately 1.1 million vehicles it is a \$74 billion retail industry and contributes \$6.4 billion in taxes and other charges to the Australian economy.

Currently vehicles sold in Australia have been designed and prepared for Australian conditions. Issues as diverse as available fuel quality can affect whether or not a vehicle is suitable for importation to Australia. While there is a concerted move to ensure that the Australia Design rules and standards are harmonised in line with International Standards, manufacturers warn that currently vehicles are fine tuned to cope with Australian conditions. In a report FCAI prepared for the 2014 Review of the Motor Vehicle Standards Act they give an example of how the “[H]igh Beam Control on Australian specified motor vehicles are tuned to ensure the Australian unique red roadside reflectors will not turn off automatic high beam.” (p. 8)

Findings:

- In July 2011 new national assessment criteria was developed by the National Motor Theft Reduction Council (NMVTRC) for the Classification of Statutory Write-offs. This Technical Guide includes a more stringent assessment criteria. These guidelines came into effect in the Northern Territory as from 1 June 2015.
- There are three classifications of Written-off Vehicles:
 - Statutory - never to be re-registered in all Australian States and Territories
 - Repairable Write-off - after extensive repair able to be re-registered in all states other than NSW
 - Un-recovered – stolen vehicles still un-recovered
- The introduction of the Written-off Vehicle Register is an integral component of the NMVTRC’s work and has led to a substantial reduction in professional vehicle theft and an increase in consumer protection. The NMVTRC is an independent, non-profit organisation established by all Australia governments and the insurance industry.
- Since its introduction in January 2012 the PPSR provides an excellent tool for businesses and consumers to research a vehicle’s status. It is crucial to the reliability of this data that information is accurate, consistent and up to date across all jurisdictions.

- In the NT it is the responsibility of the owner to notify the (MVR) when a vehicle is written-off. Notifications can also be made on behalf of the owner by Insurance Companies or through their assessors, motor dealers and either MVR or other persons qualified and approved to assess damaged vehicles.
- Notification is to be made within 14 days.
- In the NT there is a requirement to affix a written-off vehicle notice to the vehicle assessed as Statutory Write-Offs before it is offered for sale or auctioned.
- The DoT is the responsible agency for overseeing these functions through the Motor Vehicle Registry system.
- Statistics clearly shows that since the Department streamlined their processes in late 2012 that there has been a 50% decrease in the number of vehicles which were re-registered after being classified as a repairable write-off.
- As these new damage assessment criteria are more stringent it is expected to result in a 20% decrease in the amount of vehicles classified as RWO. In a NMVTRC publication they estimate that the new criteria will mean that 30% less vehicles will be classified as RWOs.
- A review of the DoT requirements surrounding re-registering vehicles previously declared a RWO indicates they incorporate best practice goals as defined by the NMVTRC.
- The DoT has been working to ensure that these new guidelines can now be adopted in the Northern Territory. Necessary changes have been made to the Administrative Regulations and the computer systems involved and we are advised that these changes came into effect from 1 June 2015, and it is expected that the number of Statutory Write-offs will increase by approximately 20% by the adoption of these new guidelines.

Recommendations:

It is recommended that best practice principles are extended through to the notification, recording and disposal of vehicles assessed as Written-off Vehicles therefore ensuring that the information collected and recorded on the WOVR is accurate, up to date and easily understood by consumers.

1. In consultation with Industry, explore options to broaden the requirement to notify the MVR when a vehicle has been declared a Statutory or Repairable Write-off. Explore extending from just the owner to include: owners, insurers, auction houses, auto dismantlers and other persons qualified and approved to assess damaged vehicles. This could be a low cost initiative which could place little or no additional impact on business however, it would ensure that the information captured by the WOVN is as up to date and comprehensive as possible.
2. Implement procedures within MVR to ensure processing of the current manual WOVN notifications. Target processing should occur within five working days from lodgement.
3. Continue support for national efforts to update the current manual state based forms to a nationally integrated system of on-line lodgement.
4. Review the progress of the implementation of the new criteria for the classification of statutory write-offs in twelve months.

Road Reserve Sales

Road Reserve Sales normally fall under the control of Local Government and investigations in the NT show that Local Councils in all of the main regional centres have By-laws in place which make it an offence to display a vehicle for sale in a public place. In Alice Springs, the By-law makes it permissible to display one vehicle for sale on the land immediately adjacent to your home, all other public places are restricted without a permit. The Alice Springs Council has a team of Rangers who actively control this matter and impose infringement notices when required. In Katherine, Palmerston and Darwin the issue is complicated by the provision of Crown Land, not subjected of Local Government By-laws. Recently there were over 110 units (vehicles, vans, trucks, trailers & boats) displayed at Howard Springs. This number of vehicles is reportedly more stock than any LMVD. A similar provision of Crown Land has been made in Katherine.

Road Reserve Sales are often seen as part of an overall clean city and traffic management process and because of this, the practice is usually an offence and enforcement is through Local Government. In the NT this has been complicated by the Government sanctioned use of Crown Land.

Private buyers and sellers are keen to sell their vehicles without what they may see as the unnecessary 'middle-man', the car yard. While none of the stake-holders to this Review would question their right to either sell or purchase a vehicle privately they did question the provision of Government land for the purpose. Through numerous agencies, taxes and duties the automotive industry is involved in the Northern Territory's economy, however during this consultation process licensed motor dealers expressed their frustration about the Government's handling of this matter.

The issue of Road Reserve Sales is intrinsically linked to the problem of un-licensed motor dealing. In Darwin & Katherine, where these pieces of Crown Land have been provided, they exist as de-facto car yards. A Facebook search shows that the Howard Springs Yard even has its own page.



While some of the vehicles displayed may represent private sales the MTA (NT)'s LMVD members would suggest that there are many using the land for unlicensed dealing. Motor Dealers in the NT operated under the provisions of Part 10 of the Consumer Affairs and Fair Trading Act (CAFTA) and must obtain a licence to operate and must then operate their businesses and conduct their sales in the manners prescribed by this legislation. Vehicle sales through licensed businesses attract GST and these businesses must operate with reference to all Australian and Territory legislations and regulations, regarding taxation, the environment, occupational health & safety, vehicle safety and consumer protection; un-licensed dealers are not subject to any of these legislations and consumers purchasing these vehicles have no consumer protections.

While provisions exist under Part 10 to prosecute un-licensed dealers there seems to be no willingness on the part of the responsible agency to pursue these matters. Prosecution will require a willingness to fully investigate and pursue and an investment by Government to ensure that both the public and businesses are protected against unfair trading conditions.

When the land at Howard Springs is examined we find an area adjacent to the Stuart Highway in a 100 kph zone. Proof of drive-by shopping is clearly evident, drivers slow down to view the vehicles from the comfort of their vehicles, and this could easily result in traffic congestion or an accident. We were also able to verify that there were vehicles being displayed on the opposite side of the Highway.



It would appear that although the land is being provided by Government normal consumer affairs and fair trading controls don't exist, there is also no provision of adequate traffic management nor is there any visible attempt being made to ensure that the vehicles for sale are truly representative of private sales. Professional licensed Car Dealers in the Northern Territory expressed their disappointment at the provision of Crown Land by Government for the use of a quasi-car dealership.

Private sellers and buyers have more opportunities today than ever before. Research suggests that the majority of consumers now use the internet as their first reference tool when purchasing a vehicle. There are several sites totally dedicated to the sale of used vehicles, these sites can be used by both private sellers as well as dealers, in fact it is cheaper for a private person to advertise their vehicle than for a Licensed Dealer. Private sellers also have access to Social Media sites like Facebook & Gumtree on which to advertise their

vehicles, unfortunately, these sites can also be used by un-licensed dealers and only through a concerted effort of the enforcement authorities can this practice be followed up.

The DoT provided information they have previously collected on enforcement practices in other jurisdictions with regards use of road reserves and this is attached as Appendix 2.

Findings:

- Road Reserve Sales are often seen as part of an overall clean city and traffic management process and because of this, the practice is usually an offence and enforcement is through Local Government.
- All main regional Local Governments have By-laws in place which make it an offence to display a vehicle for sale in a public place.
- In Katherine, Palmerston and Darwin the issue is complicated by the provision of Crown Land, not subjected to Local Government By-laws. Previous provisions under Regulation 34 regarding activities on road reserves were rescinded some years ago.
- The issue of Road Reserve Sales is intrinsically linked to the problem of unlicensed motor dealing.
- Feedback from Licensed Motor Vehicle Dealers (LMVD) suggests that there are some people using the road reserves who are engaging in unlicensed dealing and the provision of these display areas in Howard Springs and Katherine compromises legitimate business operations. Evidence has been collected by MTA (NT) and passed onto DoB.
- Private sellers and buyers have more opportunities today than ever before. The internet has several sites totally dedicated to the sale of used vehicles, these sites can be used by both private sellers and LMVDs.
- Sales through LMVDs are subject to the provisions of Part 10 of the Consumer Affairs and Fair Trading Act. These businesses operate with reference to all Australian and Territory legislations and regulations, regarding GST, taxation, the environment, occupational health & safety, vehicle safety and consumer protection; unlicensed dealers are not subject to any of these safeguards.

- During the consultation process it was suggested that normal consumer and fair trading controls are absent on Crown Land being provided.
- During the consultation process concerns were raised about the provision of adequate traffic management or safety controls at the land used for vehicle display at Howard Springs and in Katherine.

Recommendations:

5. The DoT commissions an independent road management safety review on the operation of the Howard Springs Road Reserve.
6. The DoT, as a matter of urgency, develops policy aimed at managing activities on road reserves, including the reinstatement of regulation 34 to The Traffic Act and any other legislative changes by December 2015.
7. The DoB undertakes an investigation of possible examples of unlicensed dealing in road-reserves with a concerted effort to pursue and prosecute offenders.

Review of Part 10 of the Consumer Affairs and Fair Trading Act (with respect to unlicensed dealings)

Licensed Dealers operate in the Northern Territory under the provisions of Part 10 of the Consumer Affairs and Fair Trading Act. This legislation controls the way in which licences are granted, processed, and renewed. The Act also sets out various requirements that Dealers must follow. These include matters relating to display of licences, sales, contracts, premises, advertising, warranties, consumer protections and many more. Of particular concern for this review are the provisions of Part 10 which relate to businesses or persons who the industry believes are actively selling vehicles without a Motor Dealer License.

Part 10 also defines and sets in place provisions for dealing with un-licensed dealing in Division 2.

Division 2 Offences of unlicensed dealing, dealing from unlicensed premises and breach of licence

128 Unlicensed dealing

Subject to this Part, a person other than a licensed dealer shall not:

- (a) carry on the business of a dealer; or

(b) hold him or herself out as a dealer.

Maximum penalty: If the offender is a natural person – 500 penalty units.

If the offender is a body corporate – 2 500 penalty units.

129 Dealing from unlicensed premises

(1) Subject to subsection (2), a licensed dealer shall not:

(a) buy, sell or exchange a motor vehicle in the course of the dealer's business as a dealer, otherwise than at a place of business specified in the licence; or

(b) permit a motor vehicle which is offered for sale, or intended to be offered for sale, in the course of the dealer's business as a dealer, to be on land (including a public place) adjacent to the place of business specified in the licence.

Maximum penalty: If the offender is a natural persons– 500 penalty units.

If the offender is a body corporate – 2,500 penalty units.

(2) Regulations may exempt from subsection (1) (conditionally or unconditionally) transactions of a specified class or description, or transactions taking place in specified circumstances.

Section 126 places the burden of proof on anyone who sells more than four vehicles a year.

126 Other rules for interpreting Part 10

(1) For the purposes of this Part, a person who sells 4 or more motor vehicles during any period of 12 months is to be presumed until the contrary is proved as having sold them in the course of carrying on a business of selling motor vehicles.

To ensure consumer protection successive Governments in all jurisdictions have worked to ensure that the retail sector of the automotive industry is appropriately regulated. In the Northern Territory this industry sector is an important contributor to the economy, it employs a large number of staff, is responsible for training a considerable number of apprentices, collects significant amounts of taxes and other duties and is a valuable small business sector.

Members of this industry sector look to Government to enforce the provisions of the Act that controls their business dealings and protect this industry sector from unfair and illegal practices.

Part 10, makes it illegal for a NT Licensed Dealer, to advertise without displaying their LMVD number and principal place of business. However, most Saturday newspapers provide examples of interstate companies advertising without these particulars and without holding a Licence to operate in the Northern Territory.

Part 10, makes it illegal for a NT Licensed Dealer to sell a vehicle that is not road-worthy (except in the case of a vehicle that is sold for wrecking), or to sell a vehicle registered interstate. However, attendees at the Alice Spring Forum reported vehicles being sold into Alice Springs from interstate with interstate registration, they also advised that they believed these vehicles would fail a roadworthy test. These businesses seem to be deliberately targeting Indigenous communities and perhaps taking advantage of their relative consumer naivety.

Darwin and Katherine licensed dealers expressed concerns regarding the vehicles being sold from road-reserves and believe that the provision of Crown Land at Howard Springs and Katherine is providing an opportunity for unlicensed dealings to flourish. The fact that the Howard Springs land has its own Facebook page would seem to suggest that there is a level of sophistication in place.

There was also obvious evidence of businesses, other than Licensed Motor Dealers, selling vehicles from their premises in Katherine and Alice Springs.

There seems to be no effort to enforce the provisions of Part 10 other than the provisions which relate to current and new licences. It is possible that since the Delegation of these Provisions of the Consumer Affairs and Fair Trading Act from the Department of Justice, Consumer Affairs Division, to the DoB that ownership of the enforcement provisions has lapsed.

Findings:

- The responsibilities for Part 10 of CAFTA are delegated to DoB from the Department of Justice, this change happened approximately eight years ago. It appears that since that time the previous practice of regular compliance activities have ceased.
- Licensed Dealers operate in the Northern Territory under the provisions of Part 10 of CAFTA. This legislation controls the way in which LMVD business is conducted and the way licences are granted, processed, and renewed.
- Part 10 deals with Dealing from unlicensed dealings, unlicensed premises and breaches of licence conditions.

Unlicensed Dealing:

- During the consultation process observations and reports indicated that the issue of unlicensed dealing in the Northern Territory is extensive.
- With regards to unlicensed dealing - Part 10 of CAFTA places the onus of proof onto the individual/corporation who sells more than four or more motor vehicles during any twelve months period. Unless they can prove otherwise they are presumed to be carrying on a business selling motor vehicles.
- This issue has a significant impact on legitimate business operators and is a substantial drain on taxes and charges which are being avoided.

Unlicensed Premises and breaches of licence conditions:

- Licensed dealers appear to be the only target of enforcement practices, to the extent that some Dealerships have received infringement notices for vehicles parked on land immediately adjacent to their business. During the course of normal operations Motor Dealers may have to temporarily park vehicles on land immediately adjacent to their business premises.

Recommendations:

8. That DoB undertakes an urgent investigation of possible examples of unlicensed dealing and dealing from unlicensed premises.
9. That DoB implement an education program with respect to the unlicensed premises firstly targeting businesses with vehicles displayed as 'for sale' on their premises. Education program to be followed with an enforcement program aimed at recalcitrant offenders.
10. To ensure that enforcement practices are not biased against legitimate business operator Part 10 Section 129 (1) (b) be amended to read:
Permit a motor vehicle which is offered for sale or intended to be offered for sale, in the course of the dealer's business as a dealer, to be on land (including a public place) 'immediately' adjacent to the place of business specified in the licence.
11. Review progress of Education and Enforcement programs in twelve months.

Examine and report on a regulatory regime for vehicle repairers standards (encompassing repair standard and parts standard)

Australia has one of the highest percentages of car ownership in the world, with more than one vehicle for every two people, motor vehicle servicing and repairs of these vehicles is the task of our automotive repair sector. Consumer protection, parts standards, quality of repair and choice of repairer are all central to this issue. Motor vehicles have become increasingly complex, and now include a range of technological advances and innovations which only a few years ago were un-thought of. Vehicle manufacturers are now using new materials, new production processes together with the inclusion of additional and advanced safety equipment. These changes are causing concern in the industry and with consumer groups with regard to consumer protection, consumer choice, quality of repairs, access to information, viability of the industry. A number of fundamental changes have recently happened or are happening as the industry looks for models which will be appropriate in the future.

An examination of the mechanical repair industry in the Northern Territory shows that we have businesses operating in all aspects of the repair and servicing sectors. These businesses range in size from some one-man businesses to large multi-franchised dealerships who have access to manufacturer provided training and tooling.

The body repair industry is also represented by a wide range of business types and there are significant differences between these businesses in terms of number of employees, standard of facilities, level of equipment and the systems in place. Each industry sector also has some specific issues so for the sake of clarity this report will examine each industry type separately. However, there are many crossovers between businesses and some work (especially insurance repairs) is sometimes completed by both types of repairers.

Licensing of Repairers is not handled consistently across Australian jurisdictions, there are currently three jurisdictions in Australia which require businesses and tradespeople operating in this sector to hold licences; ACT, NSW and WA. and each jurisdiction operates their licensing system differently. In the ACT, they incorporate a consultative review component together with specific consumer protections and on-going involvement in industry skills assessment and training needs, their yearly review includes recommendations to Government for training requirements. In NSW, the system, while still consumer focused, seems to have a very

investigative and punitive component. They have a ‘name and shame’ register which they encourage consumers to consult. In Victoria, where there is no licensing requirement, their consumer web-site encourages consumers to seek recommendations from friends and colleagues.

Mechanical Repairers

Currently no legislation exists in the Northern Territory to license or regulate businesses operating as Mechanical or Body Repairers other than the normal business licence requirements. A significant component of this Review was to canvass industry stakeholders to gauge their views with regards the introduction of a Licensing system or an enforced Code of Conduct. Extensive one on one interviews were held around Darwin, Palmerston, Katherine and Alice Springs with visits and interviews with over 115 businesses.

	Darwin & Surrounds	Katherine & Surrounds	Alice Springs
Body Repairers	21	4	3
Mechanical Repairers	42	11	6
Motor Vehicle Dealers – New & Used	21	3	8
Total	84	18	17

Of the businesses visited, approximately 50% are members of the Motor Trades Association (NT) Inc. and all of the Body Repairers visited are current signatories to the Insurance Code of Practice.

As in other parts of Australia the mechanical repair sector is represented by a very diverse group of businesses and enormous variations exist with regards the numbers of staff involved, their business model, and the level of the investment in facilities, tooling and training. Some repairers are part of large Motor Vehicle dealerships, some are connected with franchise/buying arrangements, (e.g. Repco, Ultratune stores) and some are either small repair centres or even single owner operators. Many of the businesses visited during the review hold approved repairer/contractor authorisation under the AANT system and a significant percentage are Authorised Inspection Centres on behalf of the MVR. The facilities visited also varied significantly, both in size, equipment levels and sophistication.

Unlike the Body Repair sector which relies heavily on Insurance work, there is no such common connection for Mechanical Repairers. Motor Dealers operate on relatively short term contracts, usually five years. Manufacturers usually dictate equipment levels, facilities

and staff training. The buying/franchise arrangements (like Repco & Ultratune) have parameters set down, however there appears to be a collegian approach to these businesses where the organisations overseeing the brand provide guidance and information, and encourage the businesses to share information, training, material and experience. A third distinct group are the Independent repairers that use a number of sources to obtain information and training – these include, MTA (NT), Repco, Snap-On and numerous on-line information services such as Boyce Auto, Our Auto, Auto Tech and others. Access to repair information didn't seem to be a significant issue for these businesses however, a small number complained about the cost involved. Nevertheless no respondent seem unable to access the required information.

A large proportion of the mechanical repairers visited indicated that they already have interface with Government through the MVR Authorised Inspector arrangement for registrations checks and WorkSafe for equipment and environmental issues including waste oil and other chemicals. Businesses involved in repairing air-conditioning systems are also licensed under the Australian Refrigeration Council. An ARC license is also required by individual tradespersons.

Customers to Mechanical Repairers were diverse; new vehicle warranty servicing, out of warranty servicing, NT Fleet, Fleet companies, Telstra, lease companies, etc.

All repairers interviewed were very much aware of the changes in technology and the need to keep up with training and equipment. A small number indicated that they had made the business decision to specialise in older vehicles, preferring not to work on more modern vehicles and referred customers onto repair centres which were suitably equipped.

Non-dealer mechanical repairers indicated that they sourced parts from a number of sources including Repco, Bursons, Dealers and interstate suppliers. The main concern was the cost of freight and the lack of reliability with delivery despite the amount of freight paid.

In March 2011 the Commonwealth Consumer Affairs Advisory Council (CCAAC) undertook a review of the sharing of repair information in the automotive industry. This review investigated whether or not restricted access to repair information was a barrier to the independent repairer's ability to compete and operate in the repair industry against dealerships. The Review considered whether this was detrimental to consumers and whether

or not this was restricting competition in the industry. They concluded that there was no current evidence of lack of competition in the market, however they noted that given the increasing complexity of modern vehicles that without access to information independent repairers would be disadvantaged. They went on to acknowledge that there was an appetite for an industry led approach to sharing information and they cautioned that this should be put in place within a reasonable time, or there would be a case for Government intervention. (*Sharing of repair information in the automotive industry, CCAAC Nov 2012*) In February 2015 the Federal Chamber of Automotive Industry (FCAI), as the body representing the manufacturing industry, released the Code of Practice, entitled, Voluntary Code of Practice Access to Service & Repair Information for Motor Vehicles. The code sets in place procedures to ensure that independent repairers have access to manufacturers repair methods and special tools. FCAI will facilitate the information flow, however, each manufacturer will provide the information on a realistic commercial fee basis. (*Voluntary Code of Practice Access to Service & Repair Information for Motor Vehicles FCAI, Feb 2015*) AMIF supported this industry led solution, in their position paper *An Industry at Crossroads, Automotive 2018* pointing out that “Manufacturers and other sectors must identify an industry led solution to this problem as opposed to legislative or regulatory impost, which will be almost impossible to police or regulate.” (p. 13)

Body Repairers

The Body Repair sectors links with Insurance are extremely complex, this sector relies on Insurance work for up to 90% of the work undertaken and because of this in a vast majority of cases their business model is influenced by the Insurance Companies they have contractual arrangements with. For many of the businesses visited that is a number of insurers and in a very small number they may deal with only one or two. Coupled with these arrangements some smash repairers act as the authorised repair agent for particular manufacturers.

Motor Vehicle Insurance concentration in Australia is very high, Insurance Australia Group (IAG) is reportedly the largest motor vehicle insurer and they estimate that through companies under their umbrella they insure 3.2 million passenger vehicles, the two largest insurance groups hold in excess of 60% of the Australian market. Much of the perceived competition in the market is inter-company rather than between competing companies. Suncorp Group Ltd. operates as Suncorp Insurance, AAMI, GIO, Apia, Vero, JustCar, Bingle,

InsureMyRide, Shannons, CIL Insurance, and Resilium while Insurance Australia Group operates as NRMA Insurance, SGIO, SGIC, CGU and Swann Insurance. Allianz, the new owner of TIO already operates some manufacturer insurance products for Volkswagen, Audi and Peugeot.

In addition to these brands, in the Northern Territory motor vehicle insurance is offered by the Territory Insurance Office (TIO), Allianz, and QBE. These lists are for illustration purposes and are not exhaustive. Reportedly TIO has always held a significant share of the motor vehicle insurance cover in the NT, at one stage reputed to be as high as 50+%, however, during consultation with the body repairers it appears that this percentage is now closer to 30 to 35%.

The Insurance Companies have significant influence on business practices in body repair businesses and some have developed grading and audit processes which they require prior to building businesses relationships. For example, the Suncorp Group have developed a Compliance Check List for their industry partners named Australian Vehicle Repairer Standard for their Certified Repairer Facility. Other insurers have various approaches to determining who undertakes the repairs for motor vehicles covered under their policies, a small number leave it to the insured to determine who to use, while some use a variety of methods including Preferred Repairers, consumer choice and Manufacturer Approved.

In NSW the Select committee into the Motor Vehicle Repair Industry made a statement that Insurance Companies own up to 60% of the Body Repair Shops. During our consultation with Industry participants we found no instances of Insurance Companies owning a body repair business in the NT. In their submission to the Senate Economics Reference Committee Inquiry into the Future of the Australian Automotive Industry the Insurance Australia Group specifically confirmed that they have no plans to own or operate their own smash repair businesses and that they wish to form partnerships with small businesses to ensure high quality repairs for consumers. IAG apparently have their own assessment process and included in this is an audit and compliance process to make sure that repairs are being properly completed.

In the NT all the shops visited were family operated businesses with no evidence of ownership by large corporations, Insurance companies or others. The size of the body shops visited

differed greatly in terms of number of employees, standard of facilities, level of equipment and the complexity of the systems in place. All businesses had online quoting direct with Insurance companies and relied heavily on the use of digital images to illustrate the extent of the damage. There are three independent assessors operating in the NT while the TIO appears to be utilising an in-house assessor. In most cases, body shops indicated that their relationship with insurers was acceptable and in some cases the relationship was described as very good. The level of Investment into the body repair sector appears to be robust in the NT with a number of shops having recently moved into larger specifically built facilities or expanded existing facilities to accommodate growth. During the course of our consultations three body shops acknowledged that new technology was a challenge to their businesses and they had made the commercial decision not to undertake that type of work and instead rely on work that did not require that level of investment.

The issue of the availability of repair method statements was raised by a small number of body repairers, a small minority expressed concern that there was a charge involved in obtaining these from a vehicle manufacturer or service provider, while others accepted these subscriptions as a cost of doing business. A vast majority of body repairers acknowledged the need to keep themselves and staff up to date with regards the new materials and technology being used in the production of modern vehicles.

In 2014 the MTA (NT) had a program to encourage body repairers to become involved in the Australian Motor Body Repairers Association (AMBRA) National Shop Grading Program, this seems to have had a mixed response from respondents in the NT. The AMBRA system is a voluntary industry led initiative which can be adapted to local needs, the MTA (NT) would administer and monitor the system. The system is just being introduced around Australia and it is too early to gauge take up levels. Regardless of whether the AMBRA Grading System uptake improves substantially it seems that there is consensus, going forward, there will be greater commercial pressure for body repairers to improve their facilities, skill level, equipment level, and product knowledge. These pressures will be brought to bear by Insurance Companies, Manufacturers and consumer knowledge and expectations.

During the extensive consultation process the issue of parts supply was raised with industry. There was no evidence or suggestion made by body repairers that insurers were attempting to supply parts for the repairs either genuine, non-genuine or parallel parts, nor was there

evidence of wide spread requests to use second hand parts. One body repairer indicated that Suncorp Group had recently joint ventured with a large overseas part supplier named LKQ Group, however to date there has been no pressure or request to bypass local supplier and buy through this Group. Recently provisions under the FCAI Code of Conduct to supply service information includes a provision to use genuine parts and Insurance Companies have a responsibility to ensure that repairers do. (AADA, 2015)

Repairers, Regulations & Repair Results

In February 2013 the NMVTRC commissioned a report by DLA Piper into the Separated Parts Markets in Australia. After this report was completed they commissioned Duncan Lawyers to draft a Model Act for use by all jurisdictions entitled the Motor Trade (Accreditation) Act 2014. The intent of this Act was to replace the individual varied legislation that existed in the various States and Territories with a consistent piece of legislation which licensed and regulated motor vehicle dealers, motor vehicle recyclers (including metal recyclers), motor vehicle repairers, motor vehicle financiers and motor vehicle brokers. This committee recommended that each jurisdiction adopt this consistent approach and it was their intent to consolidate all motor car trading and second hand dealing provisions into an accreditation system with three components; accredited industry entry, maintenance of accreditation and termination of accreditation. *Review of Regulation of Separated Parts Markets in Australia, DLA Piper, (February 2013)* At its meeting in March 2015 the Automotive Industry Review Committee was advised by the DoT Representative, (acting in the Department's capacity as NT Government lead agency with respect to the NMVTRC) that Mr. Ray Carroll, Executive Director of NMVTRC, had been contacted and he advised that NMVTRC had received little feedback on the Draft Act and Regulations and the feedback that it had received from the Recycling and Motor Trades Industry was not supportive. Reportedly there was a perception from the various jurisdictions that the proposal would place an unnecessary red tape burden on Industry. The NT Government had not supported the Draft Act or Regulations.

There is an obvious reluctance for most Governments, including the Australian Government and bodies such as the Productivity Commission to impose additional regulatory burden on business or industry. The regulatory regimes with respect to motor vehicle repairers introduced in NSW, WA and ACT date back up to 42 years. The world we live in has changed significantly with Consumer choice playing a very large part in the success or failure of

business and the motor repair industry is not quarantined from the influence of local media, social media, the small population base in the Northern Territory and the role, word of mouth plays in the reputation a business may hold in the community.

The rapid advances in vehicle design and production makes it essential that repairers, both mechanical and body repairers, put in place systems and plans to adapt to these changes, this will mean investment in equipment, maintaining up to date access to information and ensuring staff are equipped through training to continue to work on these new and sophisticated vehicles. Concern exists that sub-standard repairs could place consumers at risk, however there is no empirical data which supports this view. The NMVTRC's report Best Practice Principles for Written-off Vehicles, May 2010 quotes the results of five years of research in Queensland that shows less than one percent of motor vehicle accidents "are considered to be partly or totally caused, or contributed to, by vehicle defects." (p. 10) In NSW, a small study was conducted into the effects of repair standards on vehicle safety results. In this study four vehicles were assessed using the most up to date criteria for assessment of statutory or repairable write-off then repaired using either industry best practice or using poor work methods and then crash tests were again conducted to assess whether crash test results were sensitive to repair quality. The study found; regardless of the repair processes used if the SRS is restored to their pre-crash condition then crash test results were not affected. (*Suratno, Basuki, Vehicle Reparability Report, NSW Government, Transport for NSW July 2014*) The author stresses, "the first and most crucial stage in the repair process lies in determining whether the damaged vehicle is repairable or not". As stated previously the introduction of the new criteria for assessment of repairs will result in approximately 20% more vehicles being classified as statutory write-offs and therefore these vehicles will only ever be used for wrecking or parts.

The NSW study was limited, however there is a significant amount of work underway or about to commence with respect to vehicle repairs and subsequent condition in crash performance. The Monash University Accident Research Centre (MUARC) is undertaking an Enhanced Crash Investigation Study (ECIS) which will examine in excess of 400 serious crashes in microscopic detail to gain an in-depth understanding of what caused these crashes, looking at people, infrastructure and vehicles. Additionally the Australian National Crash In-Depth Study (ANCIS) in an ongoing collaboration between (MUARC), vehicle manufacturers and some jurisdictions,

involving an in-depth study into all aspects of a vehicle accident cause, including a thorough investigation of the vehicle and how it performed. This particular study is currently assessing vehicle accidents occurring within a 100km radius of the centres of Melbourne and Sydney.

There is also concern regarding modification to vehicles with non-genuine accessories (e.g. tyres, springs, adjustments to suspensions, etc.) and whether or not this can result in compromising the original safety of the vehicle. This is an issue that has been raised at a national level by the Australian Motor Vehicle Certification Board and the Australian Automotive Aftermarket Association and the AMVCB have been working together and with expert independent assessors in the United States (using Australian vehicles) to check modified vehicles. Preliminary results suggest that minor adjustments don't affect safety results.

In the AMIF policy paper they remind us that successive Australian Governments have neglected to consider the automotive industry as a whole, automotive manufacturing has long been the focus of automotive reviews and other policies to deal with the remaining industry sectors have grown up around the country ad-hoc. There has been no consistent legislative framework nor has industry been able to reach a broad consensus. They go on to recommend that *"[A]s it is unlikely to ever get uniform pragmatic government solutions to these issues, industry must impose self-regulation, adopt value added services, increase business acumen and, where necessary, potentially even advocate change to business models or services. There must also be improved services to identify and assist those who either by choice, or for other reasons, exit the industry.* (AMIF p. 14)

Consumer organisations, both privately and Government operated, also monitor industry and business reputations. During the course of the Review the Department of Justice, Consumer Affairs Deputy Commissioner, Ms. Sandi Otto, was contacted to get a better understanding of the dealings Consumer Affairs have with the motor industry. Ms. Otto advised that records maintained by the Department indicated that the level of complaints against all aspects of the automotive industry such as motor vehicles sales, new and used, mechanical and body repairs and dismantlers were very low and did not represent an abnormal or concerning number when the volume of the transactions is considered.

Consultation Results.

During the consultation process the respondents were asked whether or not they supported the introduction of a licensing system either administered by Government or Industry or if they wished to maintain the status quo. Consultation resulted with an overwhelming percentage of businesses endorsing the current manner in which the industry operates. Reasons given against the introduction of a licencing system included: additional cost on business, already hold a number of licences and comply with a range of NT Government regulations, will have no positive affect on their business or improving the industry. A small number who supported the proposal were looking for a mechanism to remove some 'back yarding' activities from the industry and several believed that it would improve the standing of the industry to consumers.

In the NRMA Insurance submission to the NSW Senate Review *Improving the Safety and Quality of Motor Vehicle Repairs in NSW*, July 2012, they state that the Australian Consumer Law (ACL) provision which requires that services are to be completed with "with due care and skill" provide consumer protection. They suggest that for body repairs with definition of what constitutes "due care and sill" could be guided by the standards of the MVIRI Code of Conduct.

Results of one on one interviews:

Industry Sector	Number Businesses Interviewed	Maintain Status-Quo	Introduce Licencing	Percentage in favour of Licencing
Body Repairers	28	23	5	17%
Mechanical Repairers	69	51	18	26%

Findings:

- No legislation exists in the NT to license or regulate businesses operating as Mechanical or Body Repairers, other than the normal business license requirements.
- Licencing of Repairers is not handled consistently across Australian jurisdictions, there are three jurisdictions in Australia which require businesses and tradespeople operating in this sector to hold licences; ACT, NSW and WA.
- Motor vehicles have become increasingly complex, and now include a range of technological advances and innovations. Many modern vehicles are manufactured using updated metals.

- The rapid rate of change in vehicle design and manufacture raises concerns for industry and consumer groups for issues surrounding consumer protection, consumer choice, quality of repairs, access to repair information and the viability of the industry.
- In the NT, Mechanical Repair businesses range from small single operators to large multi-franchised dealerships.
- Mechanical Repair businesses fall into three distinct types; Manufacturer Approved Service Centres or Dealerships, Franchise type repair arrangements (e.g. Repco) and Independent Operators. There is no common repair source; for Mechanical Repairers.
- In the NT, Body Repair businesses are represented by a range of business types. Significant differences exist in terms of size, number of employees, standard of facilities, level of equipment and the systems in place.
- The Body Repair sectors links with Insurance are extremely complex, this sector relies on Insurance work for up to 90% of the work undertaken.
- Body Repair businesses are significantly influenced by the Insurance Companies they have contractual arrangements with.
- Some Insurance Companies have developed grading and audit processes which they require prior to building business relationships.
- Some manufacturers have approved repair relationships with Body Repairers.
- Body Repair businesses in the NT are family owned small to medium businesses.
- During the consultation process there was no evidence or suggestion that insurers were attempting to supply parts for the repairs either genuine, non-genuine or parallel parts, nor was there evidence of wide spread requests to use second hand parts.
- Consumers are protected by the requirements of the Australian Consumer Law which requires that services and repairs are undertaken with “due care and skill”.
- The Consumer Affairs Department advised that the level of complaints against all aspects of the automotive industry was very low and did not represent an abnormal or concerning number.
- Only 24% of the industry respondents interviewed during the review supported the introduction of a licensing/regulatory system, regardless, whether it was administered by NT Government or an Industry Association.

- Consultation resulted with an overwhelming percentage of businesses endorsing the current manner in which the industry operates. Reasons given against the introduction of a licensing system included: unnecessary additional cost on business, already hold a number of licences and comply with a range of NT Government regulations, had no positive affect on their business or improving the industry. A small number who supported the proposal were looking for a mechanism to remove some 'back yarding' activities from the industry and several believed that it would improve the standing of the industry to consumers.
- There is an obvious reluctance for most Governments, including the Australian Government and bodies such as the Productivity Commission to impose additional regulatory burden on business or industry, with the preference being self-regulation.
- The peak Industry Association, AMIF, recommends industry led self-regulation as best process. They suggest that "it is unlikely to ever get uniform pragmatic government solutions to these issues, industry must impose self-regulation, adopt value added services, increase business acumen and, where necessary, potentially even advocate change to business models or services."

Recommendations:

12. Continue with the current system of not requiring operational licences for both mechanical and body repairers. *This approach relies on the provisions of the Australia Consumer Law, allows for normal businesses practices, professionalism, reputation and customer satisfaction and acknowledges the other compliance; government, supplier, franchise arrangement, already in place. The current system also permits the variety of business models operating and acknowledges the difficulty of applying a licence model to suit all business types in this sector.*
13. Continue with the current system, where the Motor Vehicle Insurance and Repair Industry Code of Conduct and the requirement of the Insurers and consumers provide the basis for the Body Repairers operations.
14. Continue the NT Government support of the Industry Association. If required, provide targeted support, either financial or in-kind, to enable the association to provide on-going support for the training needs of industry, business development programs for

industry or assistance with dealing with government initiatives, (e.g. OH & S or Environmental).

Examine and report on regulatory regime for a Motor Vehicle Insurance and Repair Industry Code of Conduct.

The historic relationship between the body repairers and the Insurance Industry first arose in the late 1960s and 70s. Post war, the number of vehicles had increased substantially and the road infrastructure had not kept up, the motor vehicle accident rate increased dramatically along with the number of Insurance Companies offering comprehensive motor accident insurance and the number of body repairers. These parties, although interdependent had competing aims; Insurers wanted to have the repair effected for as low a price as possible and body repairers wished to maximise profits from the repairs undertaken. As time went on the relationship between the parties deteriorated and when the Insurance industry introduced the concept of Preferred Body Repairers and central assessing centres, run by the insurers, tensions between the parties was further exacerbated.

Over the following years successive Governments had concerns with how these industry sectors were relating to each other and the detriment it was having on consumers. In 1995 the Federal Government held the Industry Commission Inquiry which was set up to consider the nature of conflict between the parties, repair times and rates and the need for a code of conduct between insurers and repairers. The report was delivered in 1995, and noted “... *the level of animosity that exists between insurers and repairers impairs the effectiveness of communications between industries and adversely affects performance and consumer outcomes*” (Review to the Motor Vehicle Insurance and Repair Industry, Code of Conduct, 2013 p. 7). Despite the Commission suggesting that there were grounds for Government intervention it appears nothing eventuated. Seven years later the Australian Competition and Consumer Commission (ACCC) ordered another inquiry into the relationships between insurers and repairers and the Australian Competition and Consumer Commission Inquiry (2003). Once again the lack of progress on a Code of Conduct was noted and development of a Code was recommended.

In addition to the Industry Commission and ACCC call for a Code of Conduct, the Small Business Ministerial Council had similar deliberations in 2004 and as a consequence the then

Treasurer, Peter Costello, directed the Productivity Commission to report. The Productivity Commission handed down its report in March 2005. It concluded that; *“the Australian Government should facilitate and promote—the development and implementation of an industry code of conduct as soon as practically possible..... if a voluntary agreement between insurers and repairers is-not reached within this time, a Code should be mandated under the provisions of the Trade Practices Act.”* (Review to the Motor Vehicle Insurance and Repair Industry, Code of Conduct, 2013 p. 9).

Ten years after it had first been recommended by an official government inquiry, the first Code of Conduct was published in June 2006, commencing 1 September 2006, following agreement between the Australian Insurance Industry and the Australian Body Repair Industry. The stated objective of the Code is to *“promote transparent, informed, effective, and co-operative relationships between body smash repairers and insurance companies based on mutual respect and open communication”* (p. 7 MVIRI Code)

The Motor Vehicle Insurance and Repair Industry Code of Conduct is administered by the Code Administration Committee which is made up of three appointees from the Insurance Council of Australia and three appointees of Motor Trades Association of Australia. Currently the Chair is Mr. Peter McMahon, Dealer Development Manager, Motor Trades Association of South Australia (MTA (SA)). The Productivity Commission Report that recommended setting up this Code indicated that the Government of the day was reluctant to introduce a mandated Code. This sentiment was shared by the Productivity Commission, which delivered a Report emphasising self-regulation. Despite the encouragement of the then Australian Government and the Productivity Commission that the Code of Practice should be voluntary and non-mandated by Governments, NSW mandated the Code in 2006, the year it commenced under Fair Trading Act 1987 (NSW).

This national Code of Conduct, amongst other things, requires vehicle repairers to repair and Insurers to authorise repairs, aimed at restoring the safety, structural integrity, presentation and utility of a repaired vehicle, and to carry out repairs in accordance with:

- All relevant Australian Government, State and Territory legislation;
- Documented vehicle manufacturers’ technical specification;
- Lawful vehicle specifications and/or standards; and

- In the absence of manufacturers' specifications, accepted industry standards and practice. (MVIRI, Code of Conduct, March 2011)

Under the terms of the Code it must be reviewed every three years. The first review, which was somewhat limited, occurred in 2009 and the Code was modified in 2011. The next review was conducted between October and December 2013.

This comprehensive report was prepared by the Executive Counsel Australia, a private sector independent organisation, and was completed and presented to the Code Administration Committee in early 2014. Containing twenty-nine recommendations this Review covered all aspects of the Code in great detail. The consultants undertook the review in such a way as to allow the CAC to develop policy responses based on the review findings but not limited by them. Discussions with Mr. Peter McMahon, Chair of CAC, confirmed that this process has been long and thorough, with both Insurers and Motor Industry members discussing and debating the Report and then developing policy positions. Over a period of 17 months this has now resulted in a revised Code of Conduct in which each clause (even the preamble) has been amended in some way. It is anticipated that the revised Code will commence 1 July 2015. (*Review to the Motor Vehicle Insurance and Repair Industry, Code of Conduct, 2013*)

A review of the proposed draft changes to the Code reveal: the introduction of an Approved Arbitration Scheme established by CAC; greater clarity with respect to Insurer and Repairer relations; the introduction of Code approved assessors; greater clarity with respect to Estimate, Repair and Authorisation Process; increased clarification under signatory disclosure obligations; and inclusion of a clause that indicates CAC can be called upon to interpret clauses in the Code.

Although not finalised at this date, it does appear that the modifications to the Code of Conduct will address many of the concerns expressed from stakeholders to the review of the Code of Conduct. In the Northern Territory thirty two body repairers and all Insurance Companies are signatories to the Motor Insurance and Repair Industry Code of Practice. During the course of our face to face review process we interviewed at length twenty eight body repairers covering Alice Springs, Katherine, Darwin and surrounds. To our knowledge all repairers undertaking work for Insurance companies in the NT are signatories to the Code

(32 total). The twenty eight visited in our interview process were all signatories, representing 88% of the total.

The size of body repairers businesses visited varied from two to twenty staff, facilities ranging from new to reasonably aged. The level of equipment varied from state of the art, to some less modern. All but one of the body shops relied heavily on Insurance work, which made up between 70% to 90+% of the total through put. The one exception did defence work and transferred any Insurance work to their sister business. The age of proprietors also varied, with some older business owners indicating they were not prepared at this stage of their life, to make substantial investment in equipment and as a consequence they limit their business from undertaking some insurance work. All repairers appeared to have sufficient work, were aware of the extent insurance work plays in their business and were eager to ensure that they have a good reputation in the industry. They all appeared to appreciate the importance of customer referrals, indicating the role referrals and repeat business plays in obtaining insurance work.

All respondents noted that Insurance companies review facilities, some were appointed Preferred Repairers (Partner Repairers) for one or more insurance companies. The majority of Insurance businesses operating in the Northern Territory are owned by two groups; Suncorp Group which operates under the brand names of: Suncorp Insurance, AAMI, GIO, Apia, Vero, JustCar, Bingle, InsureMyRide, Shannons, CIL Insurance and Resilium; and Insurance Australia Group, whose brand names include: NRMA Insurance, SGIO, SGIC, CGU, Swann Insurance, WF1 and Lumley Insurance. In addition Territory Insurance Office, now owned by Allianz, continues to operate independently, together with Allianz and QBE having some market share.

Insurance companies and manufacturers are currently working with repairers to ensure that they have the facilities, skills, equipment and repair methods to act as their repair agents. For example, the Suncorp Group and IAG have both developed an Australian Vehicle Repairer Standard and are requiring repairers to undertake an audit and assessment process to be approved. Various manufacturers, for example Audi, Lexus, Toyota and Mercedes, appoint Approved Repairers to undertake body repairs. This process also requires an assessment of facilities, equipment, training and skills. It appears other Insurers have varied degrees of review with some relying on feedback from Assessors acting on their behalf.

Industry also has developed a grading system through the Australian Motor Body Repair Association (AMBRA) Grading System. This system is due to be rolled out in the NT shortly after its recent launch in South Australia. This is a voluntary system and administered by the state or territory's MTA, or equivalent office. The AMBRA Shop Grading system is not incorporated in the Code of Conduct.

Insurance companies provide their contracted repairers with on-line quoting and invoicing systems. All repairers indicated they are very pleased with this initiative which provides a record flow of documentation on each job, including record of amendments to their original quotation and final approval. It appears that extensive use is made of digital images in supplying information to insurers/assessors and this process has taken over the traditional role of the assessor with little requirement for vehicles to be inspected on site. In Darwin TIO and Allianz continue to use the services of a locally based assessor. There is one full time assessor based in Alice Springs.

All twenty eight body repairers interviewed were very much aware of the rapidly changing technologies in motor vehicles and the consequent need to keep their staff and themselves up to date to be able to continue repairing modern motor vehicles. It appears that I-Car Australia are playing a major role in delivering training to NT based businesses using a combination of face to face and on line training.

It was also apparent that a number of body repairers have made the decision not to repair some vehicles because of the lack of specialised equipment, training and/or repair methodology; instead only undertaking work that they are equipped to handle. Others contacted are undergoing substantial expansion, in premises, equipment and training, as they see a niche in the market place. Access to repair methods is essential as they play a major role in the on-line quoting process and are required by insurers, there are a number of sources these can be obtained through; manufacturers, dealers and other specialist suppliers such as "Thatcham Escribe."

In summary, the vast majority of the twenty eight body repairers interviewed believe that although the current system is not perfect, it has come a long way, the relationship with Insurers has improved, online quoting has made it easier, payment of accounts by insurers has improved markedly and with Insurers and motor manufacturers reviewing facilities,

improved training and work practices means that standards are improving. A perceived negative by a number of the body shops visited was that the Code of Practice mediation process required reviewing.

The Motor Trades Association/Australian Motor Industry Federation have provided an interim submission, dated May 2015, to the Senate Standing Committee into The Future of the Australian Automotive Industry. The submission in part states *“The decline of independent/unincorporated businesses, particularly within the Automotive Repair and Maintenance sector. Independent sole proprietor/partnership businesses within these sectors are finding it increasingly difficult to continue trading due to several factors, including: rising business operational and administration costs, adoption longer vehicle warranties and fixed price serving, technology change and inherent difficulties for independent repairers in accessing vehicle systems, requirements to invest in costly capital equipment and continued upgrading of skills in order to diagnose, service and repair ever changing and complex vehicle technologies, moving towards national grading of body repair shops.”... “Business survival over the next one to five years is now a significant issue. Within this cohort, it is automotive body, paint and interior repair businesses that are closing in greatest numbers. These closers are expected to escalate significantly over the coming years. “...” Some independent mechanical repairers have decided it is already too hard and have adapted to changing circumstances by specialising in one or a few marques and making the necessary investment in specific training, tools, equipment and facilities to service these marques. Some have already left the industry, while others are trying to survive by maintaining current business models and practices, despite them becoming increasingly unsustainable. (ppg. 15-17) “There is also a lack of consensus by industry on issues like licensing, leading to frustration by other stakeholders and other parts of the industry itself. As it is unlikely to ever get uniform pragmatic government solutions to these issues, industry must impose self-regulation, adopt value added services, increase business acumen and, where necessary, potentially even advocate change to business models or services.” (p. 25)*

Findings:

- There is a long history of poor relations between body repairers and the Insurance industry from the 1960s onwards.

- Successive Governments had concerns with how these industry sectors were relating to each other and the detriment it was having on consumers. Three Federal Inquiries were held and after intervention by Government urgent attention was given to drafting and implementing a voluntary Code of Conduct for the Insurance and Repair businesses.
- Ten years after it had first been recommended by an official government inquiry, the first Code of Conduct was published in June 2006.
- The Motor Vehicle Insurance and Repair Industry Code of Conduct is administered by the Code Administration Committee which is made up of three appointees from the Insurance Council of Australia and three appointees of Motor Trades Association of Australia.
- This national Code of Conduct, amongst other things, requires vehicle repairers to repair, and Insurers to authorise repairs, aimed at restoring the safety, structural integrity, presentation and utility of a repaired vehicle, and to carry out repairs in accordance with:
 - All relevant Australian Government, State and Territory legislation;
 - Documented vehicle manufacturers' technical specification;
 - Lawful vehicle specifications and/or standards; and
 - In the absence of manufacturers' specifications, accepted industry standard practice.
- A review of the draft changes to the Code reveal: the introduction of an Approved Arbitration Scheme established by CAC; greater clarity with respect to Insurer and Repairer relations; the introduction of Code approved assessors; greater clarity with respect to the Estimate, Repair and Authorisation Process; increased clarification under signatory disclosure obligations; and inclusion of a clause that indicates CAC can be called upon to interpret clauses in the Code.
- In summary, the vast majority of the twenty eight body repairers interviewed believe that although the current system is not perfect, it has come a long way, the relationship with Insurers has improved, online quoting has made it easier, payment of accounts by insurers has improved markedly, and with Insurers and motor manufacturers reviewing facilities, improved training and work practices means that

standards are improving. A perceived negative by a number of the body shops visited was that the Code of Practice mediation process required reviewing.

Recommendation:

15. To continue as present, where the operation of the Motor Vehicle Insurance and Repair Industry Code of Conduct is not mandated by the Northern Territory Government, which is consistent with all other Australian jurisdiction other than NSW.

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www.mtant.com.au Motor Trades Association (NT) Inc. – (MTA (NT))

www.aant.com.au Automobile Association of the Northern Territory - (AANT)

www.carsafe.com.au National Motor Vehicle Theft Reduction Council - (NMVTRC)

www.nt.gov.au Northern Territory Government Main Home Page – Links to Dept. of Transport, Department of Business, Consumer Affairs and others

Motor Vehicle Registry Information Bulletin

V74 Re-registration of a Repairable Write-off

Introduction

The Northern Territory (NT) Written-off Vehicle Register (WOVR) has been introduced as part of a national drive against vehicle theft and is aimed at reducing the number of stolen vehicles that could possibly be registered with false identification obtained from wrecked vehicles.

This Information Bulletin provides general information relating to requirements that must be met before re-registration of a repairable write-off will be considered in the NT.

Note: Vehicles that have been assessed and recorded as a Statutory Write-off are suitable for wrecking only and will not be re-registered.

For further information regarding the Written-off Vehicle Register (WOVR) and classifications of written-off vehicles, refer to the Department's [Information Bulletin V54 NT Written-off Vehicle Register \(WOVR\)](#).

Inspection Requirements

The following inspection process has been established to determine the identification of the repaired vehicle, the origin of any parts used to repair the vehicle and to ensure the vehicle has been repaired to relevant standards.

A repairable written-off vehicle must satisfy all of the following 3 criteria to obtain NT registration.

1. Roadworthy Inspection

The vehicle must pass a full roadworthy inspection. Any repair work undertaken will also be inspected during this inspection.

2. Vehicle Identity Validation (VIV) Inspection

The vehicle must pass a comprehensive VIV inspection conducted by the Motor Vehicle Registry (MVR).

The vehicle is required to be left with MVR for the duration of the inspection. The vehicle owner will be notified upon inspection completion.

Note: Generally, the inspection will be completed on the same day.

The VIV inspection will be conducted at one of the following locations:

- Darwin MVR Vehicle Standards Centre – Goyder Road Darwin
- Katherine MVR Weighbridge - South Stuart Highway (5km south of Katherine)
- Alice Springs MVR Vehicle Standards Centre – North Stuart Highway

Note: For vehicles located outside of these regions, please contact the MVR.

3. Stolen Motor Vehicle (SMV) Check

The vehicle must clear a SMV check performed by the NT Police.

Note: Police may require further inspection of the vehicle.

Documentation Requirements

Specific documentation may be required by the inspecting officer to validate the integrity and quality of the repair and the authenticity of the components used for the repair.

To avoid delays in the assessment and inspection process, the vehicle owner should consider gathering specific documentation in support of the vehicle repair prior to presenting the vehicle.

When specific documentation is requested to be available at the time the vehicle is presented for inspection, it must contain specific details as outlined below:

(a) Documentation for a Roadworthy Inspection

The following documentation may be required to verify the structural integrity and quality of repairs carried out on the vehicle:

- Photographic Evidence (of the repairs);
- Wheel Alignment Report;
- Structural Repair Certification;
- Vehicle Safety Devices and Systems Certification;
- Engineering Certification.

Note: Repair work that involves the repair and/or replacement of panels/components that are not attached by a means of fasteners (i.e. bolts or similar) will be treated as structural repairs.

Further information regarding such repairs can be found in the Department's [Information Bulletin V31 – Repair or Welding of Vehicle Components](#).

(b) Documentation for a VIV Inspection

The following documentation may be required to verify the identity of the vehicle and any parts used in its repair.

(b1) Proof of Ownership

Provide original receipts for the purchase of the vehicle.

The receipts must include:

- Name and address of the person/business that sold the damaged vehicle;
- The ABN of the business (if applicable) that sold the damaged vehicle;
- Date of purchase;
- Purchase price, and
- Vehicle, make, model, month and year of manufacture, Vehicle Identification Number (VIN) and registration number (if applicable).

(b2) Original Receipts for Parts Used

Provide original receipts for the purchase of components used in the repair.

The receipts must include:

- Name and address of the person/business that sold the parts;
- The ABN of the business (if applicable) that sold the parts;
- Date of purchase;
- Purchase price;
- Description of component/s including vehicle type (e.g. Ford, Holden, Toyota etc), left/right, front/rear, inner/outer, and
- Where second hand parts are used, the donor vehicle's VIN number/s.

(b3) Original Receipts for the Repair of the Vehicle by a Business

The original receipts must include:

- Name, address and ABN of the business that repaired the damaged vehicle;
- Date of repairs;
- Name and address of the owner of the damaged vehicle;
- Identification of the vehicle being repaired, i.e. make, model, month and year of manufacture, VIN number and registration number (if applicable), and
- All repairs undertaken and replacement parts fitted in the repair (where second hand parts are used, the donor vehicle's VIN number/s must be included on the receipt).

(b4) Repairs Carried Out by Individuals

Where the vehicle has been repaired by a person other than a registered business, and repair receipts are not generated, a Statutory Declaration may be required.

The Statutory Declaration must include:

- Name and address of the person/s who has repaired the damaged vehicle;
- Date of repairs;
- Name and address of the owner of the damaged vehicle;
- Identification of vehicle being repaired i.e. make, model, month and year of manufacture, VIN number and registration number (if applicable);
- A detail of repairs undertaken, and
- A detailed list of parts fitted during the repair (will require original receipts for parts, including the donor vehicle's VIN number/s where second hand parts are used).

(c) Documentation for a SMV Check

Evidence of identity is required from the owner of the written-off vehicle and the person presenting the vehicle for re-registration (where that person is not the owner).

For further information on Evidence of Identity, refer to [Information Bulletin G08 Evidence of Identity and Evidence of Residency for Individuals](#).

The evidence of identity, along with any documentation supplied for the registration and VIV inspections will be referred to the Police for assessment.

Note: Police may request additional documentation

Are you applying to have your written off vehicle re-registered?

If the answer is 'Yes' then you will need to complete the following steps before your written-off vehicle can be inspected at the MVR Test Shed.

- i. Complete the "VS8 - Application for Inspection of Written Off Vehicle (Repairable) Form" (attached).
- ii. Ensure you have all the Evidence of Ownership documentation and photographs as required from the checklist on the application form.

- iii. Submit your completed application form together with the required documents by any of the means outlined below:

Post: WOVr Application – Vehicle Compliance
 GPO Box 530
 DARWIN NT 0801

Email: nt.wovr@nt.gov.au

Facsimile: (08) 8941 0260

- iv. The documentation you are required to supply with the VS8 form will be assessed and you will be contacted to be given advice on any further documentation required.
- v. Once your documentation is complete you will be contacted again to arrange an appointment for your vehicle inspection.

Contact Details	
Motor Vehicle Registry	
Telephone	1300 654 628
Facsimile	(08) 8941 0260
Email	nt.wovr@nt.gov.au
Web	www.mvr.nt.gov.au
Postal Address	GPO Box 530 Darwin NT 0801

Photographs

Photographs of the damaged areas of the vehicle (before repair) must be submitted with this application

Privacy Statement

The Registrar of Motor Vehicles is required to collect information for Registrations, Licenses and Permits under section 92 of the *NT Motor Vehicles Act*. The Registrar adheres to the Department's Privacy Statement and the *Information Act*. Further information on privacy can be found at www.transport.nt.gov.au/mvr/about-us

Declaration

I declare that I am the vehicle's owner, and the information provided in this application is true and correct in every detail.

Important

I understand that this form is only to apply for Assessment for Inspection *ONLY*, and that I will be contacted by The Department of Transport within five (5) working days requesting applicable documentation for the repair of the vehicle.

Applicant's Signature

Date

Contacts

Please submit this form via post, email or fax as per the details on page one (1), or in person to the Vehicle Standards Centre (Test Shed) located at 18 Goyder Road, Parap

Contacts for the Motor Vehicle Registry

Postal: Department of Transport
GPO Box 530, DARWIN
NT 0801
Phone: 1300 654 628
Fax: (08) 8941 0260
Email: nt.wovr@nt.gov.au
Website: www.mvr.nt.gov.au

OFFICE USE ONLY

Received By

Via (email, post, fax, in person)

Date Received

Jurisdictional Comparison of Advertising and Activities undertaken in Road Reserves

Jurisdiction	Advertising		Activities		
	General	Election	Vehicle Sales	Commercial Activities	Promotional Activities / Election
Queensland	<p>The Department of Transport and Main Roads – Roadside Advertising Guide Edition 1.2</p> <p>The Roadside Advertising Guide assists the department and local governments to evaluate proposals for roadside advertising within and beyond the boundaries of state-controlled roads to ensure they meet road safety and traffic operation objectives.</p> <p>The Guide also provides information, considerations and criteria to potential advertisers.</p> <p>Roadside advertising cannot be permitted to compromise the safety and efficiency of the road network.</p>	<p>The Department of Transport and Main Roads – Roadside Advertising Guide Edition 1.2 - Specific permission criteria for Category 4 Advertising Devices – miscellaneous signs</p> <p>Transport and Main Roads approval is not required for election signs located within the state-controlled road if the Election signs are placed after the official notification of an election and removed within seven days (or less if required by the relevant local government) after election polling day.</p> <p>Election signs are subject to statutory controls and criteria around the site and placement. If the sign does not meet requirements then a permit is required.</p>	<p>Managed by local council</p> <p>Eg: Logan City Council - \$500 fine</p>	<p>A road corridor permit is required for activities such as conducting a business or road side vending.</p>	<p>A road corridor permit is required for activities such as promotional activities.</p>
Western Australia	<p>Policy managed by Main Roads Western Australia – regime managed by Local Governments.</p> <p>Managed under the Main Roads (Control of Advertisements) Regulations - No person or business can put up a sign along any Highway or Main Road without approval of Main Roads Western Australia or the Local Authority.</p>	<p>Policy managed by Main Roads Western Australia – regime managed by Local Governments.</p> <p>Managed by local councils. Penalties apply for non-compliance with legislation or by-laws relating to publishing and distribution of election material and election sign placement</p>	<p>Managed by local governments</p> <p>Eg - City of Joondalup</p> <p>Advertising a vehicle for sale, or hire, on any part of a car park, road, verge or median strip is an offence under the City's Parking Local Law. Drivers that park a vehicle, which is offered for sale or hire in these areas may be issued with an infringement.</p>	<p>No information found – request sent to ARRB to assist with review.</p>	<p>Policy managed by Main Roads Western Australia – regime managed by Local Governments.</p> <p>Managed by local councils. Penalties apply for non-compliance with legislation or by-laws relating to publishing and distribution of election material and election sign placement</p>
South Australia	<p>Department of Planning, Transport and Infrastructure – <i>Advertising Signs Assessment Guidelines for Road Safety</i></p> <p>Advertisements and Advertising signs require Development Approval from either a local council, the Development Assessment Commission or from DPTI on behalf of the Commissioner of Highways for signs on land owned or under the care, control and management of the Commissioner.</p>	<p>Guidelines for the Control of Election Signs - Managed by Local Councils.</p>	<p><i>Road Traffic Act – 83A</i></p> <p>A person must not stand or place himself or herself or any goods or sign on a carriageway, dividing strip or traffic island for the purpose of—</p> <p>(a) soliciting any business or contribution from the occupant of any vehicle;</p> <p>(b) inducing the driver of a vehicle to take the person into or onto the vehicle;</p> <p>(c) offering or exposing goods for sale.</p> <p>(2) A person must not buy, or offer to buy, goods from a person who is standing or has placed himself or herself on a carriageway, dividing strip or traffic island in contravention of subsection (1).</p> <p>(3) The Minister may, by instrument in writing, exempt any person, or persons of a specified class, from any provision of this section.</p>	<p><i>Road Traffic Act – 83A</i></p> <p>A person must not stand or place himself or herself or any goods or sign on a carriageway, dividing strip or traffic island for the purpose of—</p> <p>(a) soliciting any business or contribution from the occupant of any vehicle;</p> <p>(b) inducing the driver of a vehicle to take the person into or onto the vehicle;</p> <p>(c) offering or exposing goods for sale.</p> <p>(2) A person must not buy, or offer to buy, goods from a person who is standing or has placed himself or herself on a carriageway, dividing strip or traffic island in contravention of subsection (1).</p> <p>(3) The Minister may, by instrument in writing, exempt any person, or persons of a specified class, from any provision of this section.</p>	<p>No information found – request sent to ARRB to assist with review</p>

Jurisdiction	Advertising		Activities		
	General	Election	Vehicle Sales	Commercial Activities	Promotional Activities / Election
Australian Capital Territory	<p>Managed by ACT Government – Territory and municipal services.</p> <p>Public Unleased Land (Movable Signs) Code of Practice 2013</p> <ul style="list-style-type: none"> Public liability insurance \$10,000,000 Business signs – during business hours Real estate signs – hours of exhibition 	<p>Managed by ACT Government – Territory and municipal services</p> <p>Public Unleased Land (Movable Signs) Code of Practice 2013</p> <ul style="list-style-type: none"> Public liability insurance \$10,000,000 Displayed for a period up to 6 weeks. 	No information found – request sent to ARRB to assist with review.	No information found – request sent to ARRB to assist with review.	<p>Managed by ACT Government – Territory and municipal services.</p> <p>Public Unleased Land (Movable Signs) Code of Practice 2013</p> <ul style="list-style-type: none"> Public liability insurance \$10,000,000 Community signs – 2 weeks
New South Wales	The Transport Corridor Outdoor Advertising and Signage Guidelines outline best practice for the planning and design of outdoor advertisements in transport corridors such as along or adjacent to classified roads, freeways, tollways, transitways, railway corridors or on bridges or road and rail overpasses.	The Transport Corridor Outdoor Advertising and Signage Guidelines outline best practice for the planning and design of outdoor advertisements in transport corridors such as along or adjacent to classified roads, freeways, tollways, transitways, railway corridors or on bridges or road and rail overpasses.	<p>Local Government Regulations give councils the power to erect notices to prohibit the parking of a vehicle on a road or road related are for the purpose of selling the vehicle.</p> <p>No information on Transport for NSW website.</p>	<p>Managed by local council</p> <p>No information on Transport for NSW website.</p>	<p>Managed by local council</p> <p>No information on Transport for NSW website.</p>
Tasmania	<p>Department of State Growth Transport – Tasmanian Roadside Signs Manual</p> <p>Other than approved Traffic Control, Guide, Service or approved Tourism Information Signs, neither permanent nor temporary advertising and commercial signs (including sandwich boards) are permitted to be erected, put up or placed in a State or Local Government Road reserve subject to a speed limit in excess of 60kph.</p>	No information found – request sent to ARRB to assist with review.	The sale of vehicles and other goods is not permitted on Crown land or on roadsides – Parks and Wildlife Services Tasmania.	The sale of vehicles and other goods is not permitted on Crown land or on roadsides – Parks and Wildlife Services Tasmania.	Managed by Department of State Growth Transport – Temporary Signs for Advertising Community Events (“Community Event Sign”) – Policy, Guidelines and Requirements
Victoria	<p>Managed by Department of Transport, Planning and Local Infrastructure.</p> <p>Victoria Planning Provisions – 53.05 Advertising Signs. Operates under a permit system</p> <p>Victoria Planning Provisions – 73 – Outdoor advertising terms</p>	No information found – request sent to ARRB to assist with review.	No information found – request sent to ARRB to assist with review	No information found – request sent to ARRB to assist with review.	<p>Managed by Department of Transport, Planning and Local Infrastructure.</p> <p>Victoria Planning Provisions – 53.05 Advertising Signs. Operates under a permit system</p> <p>Victoria Planning Provisions – 73 – Outdoor advertising terms</p>