Issued: July 2021

## Message from the ARD Executive Committee Chair - Frank Grocl



Dear member

Most of you will be aware, 2021 has been another year of ups and downs for all Australians due to the pandemic, particularly Victorian businesses who have endured yet another lockdown to stop the spread of the disease.

I just wanted to reassure you that your representatives on the ARD Executive Committee are doing all we can to protect our industry from any unnecessary disruptions and prolonged shocks during these difficult times. VACC is constantly advocating locally and federally for further assistance for its members.

We recognise that some of you have been significantly impacted due to the latest lockdown, and with little financial support from government further exacerbating the problem. This is a reminder for those of you who are struggling mentally or financially, it's important to reach out and seek professional support when necessary.

In the meantime, the Committee has been meeting frequently to discuss various industry issues and projects. This email provides you with an update on those matters. Should you have any suggestions, comments, or concerns then please let us know at the email address below or speak to a member of the committee or the VACC Industry Policy Advisor.

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# Road Safety (Vehicle) Regulations 2021 - VACC response to the RIS

VACC has made a formal submission in response to the proposed changes and questions raised within the Regulatory Impact Statement (RIS) published by the Department of Transport (DOT). In summary, the main issues raised within the RIS focussed on the Written-off Vehicle Register, including vehicle age and condition for roadworthiness checks. The submission is available on the VACC website. Click <a href="here">here</a> to access.

John Khoury

VACC

Industry Policy Advisor

## Motor Vehicle Service and Repair Information Sharing Scheme

In a major win for the automotive service and repair industry, the Morrison Government passed legislation on 17 June 2021 to establish a mandatory scheme for car manufacturers to share motor vehicle service and repair information with independent repairers at a fair market price. This brings to an end, more than 12 years of VACC advocacy for reforms on this issue. VACC, MTAA and other industry stakeholders continue to work with the Department of Treasury to develop the scheme rules. The legislation comes into effect on 1 July 2022.

For more information click here and here.

### **North-East Link Project**

The development of the North-East link project has resulted in the government having to acquire land. This has impacted automotive traders and VACC members along Manningham Road, Bulleen Road, Greenaway Street, and Kim Close. VACC is working with members and seeking adequate support from government for those affected. Issues range from a lack of relocation support and suitable venues, a lack of compensation for downturn in business and closure, rent assistance and communication. VACC has joined the Government's Business Liaison Group to represent the automotive businesses in and around the project area.

Any member impacted should contact VACC for further assistance.

### Skills Shortage

This issue continues to wreak havoc on our industry. Results from a 2020/21 automotive industry national survey found the 52 per cent of automotive businesses are experiencing a shortage of skilled labour. This is up by 7 per cent from the previous survey conducted in 2016/17. Regional areas fared the worst with the average time taken to fill a skill vacancy is estimated at approximately nine months, compared to an average of 6.5 moths for metropolitan based businesses. VACC modeling shows there is an estimated deficit of 17,509 skilled positions in light vehicle mechanics and 2,711 in heavy vehicle mechanics. There are some positive signs in recent times with more females embarking on a career in automotive. Between 2018 and 2019 female apprentices and trainees grew at a much faster rate (18.7 per cent) compared to males (4.8 per cent).

Some key reasons for automotive skill shortages reported by businesses include:

- Not enough people entering automotive trades (71.8 per cent).
- Competition from other industries (67.8 per cent).
- Attraction of labour toward other industries (62.2 per cent).
- Poor quality of available candidates (61.3 per cent).
- Candidates lack the required skills to do the job (59.2 per cent).
- · Low wages.

For more information on skilled labour shortages read the <u>Directions in Australia's Automotive Industry</u> Report.

# **ACCC Exclusive Dealing Ruling**

The ARD Executive Committee are deeply disappointed with the ACCC's decision allow Mitsubishi Motors Australia Limited (MMAL) exclusive dealing notification regarding their 10-year warranty. The committee is seeking legal advice from, barrister Mark Costello, whose commercial law experience spans class actions, contract disputes, competition law, corporate insolvency, engineering disputes, professional indemnity claims and regulatory litigation.

# **Australian Qualifications Framework (AQF)**

Industry feedback has been submitted to PWC skills for Australia automotive projects including the establishment of a new skilled pathway for electric vehicle technicians <u>AUR32721 Certificate III in Automotive Electric Vehicle Technology</u> and subsequent battery and electric vehicle service, repair and diagnose skill sets for those who want to upskill.

Our suggestions included:

- General elective unit AURETR149 apply knowledge of ADAS technology to vehicle pre-repair scans should be either a core unit or included in AURETH102 Service and maintain battery electric vehicles. ADAS technology is becoming increasingly prevalent in modern day vehicles.
- An automotive artificial intelligence unit be developed and offered as an elective. This unit should
  cover the fundamentals, basic knowledge of Al including its purpose and why it is used on
  different applications, operation, and deep learning practices, identifying characteristics, fault
  prevention and correction.

With the imminent implementation of the Motor Vehicle Service and Repair Information Sharing legislation, a unit covering pass through technology be created and included in AURETH102.

#### **Establishment of an Electric Vehicle Sub-Committee**

Interest in electric vehicles is gaining momentum with government and the wider community particularly as new incentives are introduced and vehicle prices are trending downwards.

As outlined in the recently published Industry directions report (available via the VACC portal), the impact on automotive workshop will be significant as there are very few moving parts and serviceable items in EV's beyond tyres and brakes. For those who transition towards EV repairs, significant capital investment is required by workshops such as tooling and training.

The ARD Executive Committee is seeking expressions of interest from industry to form a new subcommittee aimed at zero and low emission vehicles and their impact on the repair sector. The committee's remit will be to keep members informed on developments in this sector, influence industry policy, monitor and develop vehicle standards, and training.

The committee is also actively seeking to run Hybrid and Electric vehicle (ZELV) training in Victoria based on the units of competencies outlined within AURSS00034 – battery electric vehicle diagnosis and repair and AURSS00035 – battery electric vehicle inspection and servicing skill sets. Local training organisations are currently not delivering this training due to low demand; however, we may be able to organise a few sessions if we have enough people interested.

Register your expression of interest here

Or for more information contact John Khoury, jkhoury@vacc.com.au or 03 9829 1153.

### **EPA Small Business Pilot**

The EPA small business program pilot is on track to complete initial business visits by the end of September 2021. However, may be extended due to the recent lockdown. The Pilot Program offers free audits from qualified environmental consultants to the automotive repair and body repair industries.

With the new Victorian Environmental laws having commenced 1 July 2021, it is a good time to share some initial findings from the pilot program conducted with VACC members.

### Positive findings from sites visited include:

- Almost all businesses have good housekeeping (i.e., the sites are tidy, free of litter and do not have loose wastes on site).
- Maintenance of equipment was also identified as good or acceptable at almost all sites (85% of sites); and
- 71% of the sites had acceptable or good risk management leadership.

### Improvement opportunities for VACC members that are common amongst sites visited:

- Storage of liquids and chemicals: several sites were seen to store liquids and/or chemicals in
  areas without adequate controls to prevent spills leaking into stormwater or onto grass areas (i.e.,
  inadequate or no bounding). Guidance is available from EPA on liquid storage and handling.
- Assessing and controlling risks and preparing to respond to incidents: Although several
  businesses demonstrated a good understanding of some or most of their risks, often they did not
  have these documented so that their staff were able to understand risks and adequately control
  the risks of harm. Additionally, a small number of businesses did not have plans in place for what
  to do if an incident occurred. Guidance recently released by EPA on responding to harm caused
  by pollution can support members in this respect.
- Access and instructions on spill kits: A small number of sites visited did not have spill kits available, or the spill kits were not easily accessible to staff (and in some cases staff not instructed on their use). This is a 'quick win' which members may be able to implement to ensure they can respond to spills and leaks when they occur.

For those of you who have already had a visit from GreenCap and received their report, VACC would like to hear from you if you have any concerns so that they can be raised with EPA at our August committee meeting. Please email John Khoury with your feedback.

## **ARD Private Facebook Group**

An initiative of the Committee, ARD members are encouraged to join the Facebook group which provides an opportunity for members to engage with like minded people, share knowledge and assist other members on technical matters where required.

Click here to join.

#### **Member Milestones**



#### **Ralph Guastella Motors**

I had the pleasure of presenting Ralph of Ralph Guastella Motors with the business' 50-year membership certificate, in recognition of its long association with the Chamber.

Ralph began his automotive career as an apprentice mechanic in Ragusa, Sicily, in 1954. He worked as a diesel mechanic in a petroleum refinery in Port Augusta in Sicily from 1958 to 1961. The spark was there and then, on his way to mandatory enlistment of a military service, Ralph was given a sign, literally. It was on a local shop front and read: Motor Mechanics Required for Australia, panel beaters, diesel mechanics, enquire within. He was a qualified mechanic by then and car and diesel mechanics were in high demand. Without hesitation, Ralph applied and was accepted.

Forty days later he was on a ship heading to Australia, with £10 to his name. It was a six-month long journey, and he spent four hours a day learning English from a British teacher. Despite his preparation, upon arriving in Western Australia, Ralph recalls asking a taxi driver if he could take a group of five to King George Park. After the trip, he was asked for '10 bob' and was confused. The driver chuckled and pulled out a note to demonstrate. "Aren't that 10 schillings," said Ralph. "Only if you go to a pommy country, this is Australia mate," replied the driver. Ralph took it as a lesson – no matter which country you go to, you had to better adjust to fit in.

Ralph decided to head to Melbourne, where initially he found it difficult to find a job. He ended up in the Bonegilla immigration camp, located near Wodonga. This was a facility to further train immigrants to assist them with gaining language and employment skills. It was there, while fixing the chef's car, that the owner of Morallis Motors in Melbourne took note of his skills and offered him his first job.

Mere months later Ralph was poached by another business in West Melbourne. He remembers his new employer wanting to trial him in the workshop before agreeing on a wage rate. The arrangement worked out well, his work ethic and commitment to the job were obvious and he was offered nearly triple his previous wage.

It was a busy time for Ralph, during this period. He also married, started a family, and purchased a house in West Brunswick. In 1968 he decided to return to Italy for a brief time before returning to establish his own business – with the financial support and mentorship of his former boss. He took over an ESSO service station in West Brunswick. It was his first workshop, and his first year as a VACC member was in 1971.

In 1982 Ralph would sell his first site and open a new workshop with his son, Carmelo on Victoria Street in West Brunswick. After 31 years, the business was ready to upgrade again, and Ralph along with his son and grandson, Matthew moved to a larger workshop up the road. This is where he continues to operate, working with Carmelo, Matthew, Jack who has been in employment for over 45 years, and Jim.

The secret to his success? "Do the jobs right and earn the customers trust. If you tick off these, your customers will never leave you" he said. A family business inside and out, Ralph places great importance on fostering a positive work environment. The fact that the business has customers spanning four generations is a testament to his management and technical skills.

The Ralph Guastella Motors story is one of adventure and drive. And it continues...

#### **Cee Bee Motors**



To mark the business' 50 years of Chamber membership, Cee Bee Motors' owner, Colin Borthwick welcomed Victorian Automotive Chamber of Commerce (VACC) Industry Policy Advisor, John Khoury into the Preston workshop. It was an opportunity to take a moment to reflect on a successful automotive career, as well as accept the business' 50-year certificate, which is held by only a select few.

Sitting down with John, Colin cast his mind back 1962, when his automotive career began as an apprentice at L&G Motors in Carlton. He was there for seven years, learning on the job and working on FB and FC Holdens, right through to EH Holdens. In those days, the vehicles were used as taxis. Colin remembers it as a time when work was plentiful, and mechanics were required to perform all types of repairs – from engine and head reconditioning, to changing oil and brakes. Everything was done inhouse

At the age of 24, Colin was given an opportunity to run a workshop attached to a service station in Preston. Within 12 months, he had outgrown the premises and decided to take the leap and start his own business. In 1970, Cee Bee Motors was established.

The business went from strength to strength and eight years ago an opportunity arose for Colin to branchout again. The factory next door to the workshop came up for sale and, after renting for most of his life, Colin jumped at the opportunity to own his own premises. The business has never looked back, with service offerings expanding to include motor vehicle sales – which has proved to be a successful new revenue stream.

Reflecting on the business' highs and lows, Colin maintains that over the years keeping up with emerging technologies and investing in equipment has proved a challenge, but a necessary one. Other changes for the business have come in the form of leadership. It seems that automotive is in the blood, with the business now managed by Colin's son Brad, a hands-on qualified mechanic and licensed vehicle tester.

While there has been changes, consistency in some areas of business have been the key to Cee Bee Motors' success. The industry has evolved over the years but Colin's passion for working on cars has never faded, although nowadays he is repairing and servicing modern day vehicles. Another constant has been the importance placed on great service. He attributes the strong value placed on customer service as the reason why he has had minimal issues with customers throughout the years.

Cee Bee Motors has had a great journey so far and looks forward to the next chapter – with VACC along for the ride.

#### **LK Diesel**



LK Diesel Service Pty Ltd in Braeside has reached the milestone of 50 years of Chamber membership. To recognise this achievement, VACC Industry Policy Advisor, John Khoury, met with Michael Kuhlwind, who with his brother Bernard are the owners of LK Diesel Service.

In 1956, when Ted Kuhlwind, Michael's father came to Australia, as a specialist in Magirus Deutz trucks. Ted was employed by Ansair, a part of Ansett who were the Magirus Dentz truck dealers in Victoria and it was there he met Lloyd Lang, who worked as a field engineer.

In 1967, Ted and Lloyd formed a partnership to become, LK Diesel Service, starting out of a small workshop in Newmarket. Ted and Lloyd's wives Lorna and Dotty later joined the business along with Ted and Lorna's three sons Michael, Bernard, and Ralph. When Lloyd and Dotty retired, the Kuhlwind sons acquired, Lang's interest in the company.

Over time, LK Diesel Service experienced significant growth, outgrowing their Newmarket premises moving to Clayton, and eventually relocating to a purpose-built building in Braeside, which remains their present location.

Today, the company employs 16 staff, servicing Victoria and customers around Australia, including servicing of rail, farming, construction, and mining customers. It has become the dealers of several other engine manufactures, plus reconditioners and suppliers of new and used engine for multiple industries. They also provide tailored solutions to meet customer demands.

LK Diesel Service is also recognized as a leading Deutz dealer in Australia and a top Kubota Power Centre in Victoria.

Michael and Bernard see a bright future despite many industries moving away from fossil-powered engines and transitioning towards electric motors. Michael acknowledged that there are new challenges but sees this as an opportunity, with many engines' manufacturers manufacturing hybrid and electric only equipment.

VACC thanks the team at LK Diesel Service for its long association with the Chamber and looks forward to many more years of membership.