

# BULLETIN

## Industry Divisions



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### **Important: Consumer Affairs Victoria Inspector Activity focusing on LMCTs**

VACC Licensed Motor Car Trader (LMCT) members are advised of an important change in approach and outcomes from Consumer Affairs Victoria (CAV) with regards to CAV Compliance Inspection visits.

#### **What is the change?**

For many years CAV has taken an educative approach and have elected to not issue Infringement Notices for LMCT breaches of the Motor Car Traders Act (the Act) and Regulations.

CAV will now start issuing infringement notices to LMCTs for any non-compliance with the Act and its Regulations. VACC members have received up to 19 individual fines with maximum penalties being applied for various infringements. In Victoria a penalty unit is currently \$161.19.

The issuing of notices will especially apply if your dealership has been subject to a CAV visit over the past few years and you have been unofficially sanctioned.

#### **What does CAV typically look for on a compliance inspection?**

VACC reminds all LMCTs that they should ensure the following items are adhered to:

- Dealings Book entries book up to date.
- Form 4 on all vehicles, including demonstrator stock.
- Deal packs, including RWC on retailed stock.
- LMCT Number prominently displayed.
- LMCT License publicly displayed.
- All employees working in a customer service capacity to have Form 3 completed and available upon demand.
- CAV will have copies of local advertising to ensure it complies with Drive Away Pricing legislation.
- CAV will want to see your contracts of sale to ensure they are compliant.
- CAV will ask for evidence of your customer complaints handling procedure.

#### **What should you do if you are subject to compliance inspection?**

You must co-operate and not impinge on CAV inspectors. The greater majority of VACC members are best practice practitioners and would be compliant.

VACC advises that LMCTs are required under the Act to co-operate with any inspection and provide all required documents upon demand.

CAV is authorised under the Act to take files off premises. If this does occur VACC would advise for you to take photocopied versions of those documents.

## **What if a LMCT does not agree with CAVs infringement notice?**

If a VACC member does not agree with the CAV Infringement Notice they are welcome to call my office to discuss. Of course, evidence-based arguments will always hold sway. Any infringement notice can have an application to be internally reviewed by the Regulator.

### **Summary**

The time has come for LMCT members to display best practice processes. The requirements for compliance are quite simple. Please feel free to call my office for any queries.

### **Michael McKenna MBA**

Industry Policy Advisor

Industry Divisions

**VACC**

Level 7 | 464 St Kilda Road | Melbourne Vic 3004

**P:** 03 9829 1280 | **E:** [mmckenna@vacc.com.au](mailto:mmckenna@vacc.com.au) | **F:** 03 9867 1795 | **W:** [vacc.com.au](http://vacc.com.au)