

MOTOR VEHICLES, UNLICENSED DEALERS

995. Mr M.P. MURRAY to the Minister for Consumer and Employment Protection:

What has been the effect of the increased resources and penalties the Gallop Government has put in place to deal with unlicensed motor vehicle dealers?

Mr J.C. KOBELKE replied:

I thank the member for the question. This is another clear example of the Gallop Government delivering when a problem that had languished for some time had to be addressed. People are well aware that there was a growing problem with backyard motor dealers. Certainly, the motor industry was very concerned by it. I was aware of individuals who had been sold lemons - cars for which they had paid \$10 000 or \$15 000 that turned out to be unroadworthy. It was a growing problem that was not addressed by the last Government - a bit like the finance brokers. There was a growing issue of consumer protection and nothing had been done about it. When the Gallop Government came into office, it increased the penalties. Previously, the penalties were \$3 000 and \$100 a day. The legislative changes that we made increased the penalties to \$50 000 and \$1 000 a day. On top of that, we put additional resources into the Department of Consumer and Employment Protection. Two extra inspectors were appointed to try to ensure that the law was complied with and to shut down backyard dealers.

In a recent case, a Mr Parkinson has been fined \$57 700, plus court costs, for operating as an illegal motor vehicle dealer. The Government took action with legislation and put in additional resources because the industry and the community were clearly concerned that people were operating illegally and selling cars as backyard dealers, which put people in a situation in which they could be ripped off and also be sold unsafe vehicles. The Government has acted on this matter, and it will continue to pursue it to shut down backyard dealers.