

MEDIA STATEMENT



Tony Simpson MLA
**Shadow Minister for
Consumer Protection; Forestry;
Volunteers; IT & Communications**

The Hon. **Simon O'Brien** MLC
Shadow Minister for Transport

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State Government decision ignores competition policy

The Carpenter Government has discarded fair competition policy by giving the RAC a monopoly to inspect all light vehicles ordered to undergo metropolitan area inspections, without first taking the contract to tender.

Shadow Consumer Affairs Minister Tony Simpson said the decision to award the RAC this contract for six months, without a tender process, was totally contradictory to State Government competition policy and bad for consumers.

"The owner of every auto repair shop and even every car that is ordered to undergo an inspection in the city, should be unhappy with this decision," Mr Simpson said.

"The Carpenter Government has created an industry of mandatory vehicle inspections, ranging from cars with expired licences to vehicles being transferred from other states.

"It has then given a private organisation a monopoly over the right to conduct these inspections, without first taking the contract to tender."

According to the State Government's answers to Parliamentary questions, the RAC has inspected 625 vehicles under this agreement so far and it is estimated that they will inspect a total of 4000 by the end of the six-month contract.

It is estimated that this has provided the RAC with almost \$50,000 in revenue in less than two months. This could make the contract to conduct these inspections worth as much as \$300,000.

Shadow Minister for Transport Simon O'Brien has also expressed concern with the tender process.

"The Government is clearly not serious about improving the way vehicle inspections are done," he said.

"If they were serious about easing the pressure on the vehicle examination system, they would have opened up the contract to tender, giving qualified mechanics across the metropolitan area the chance to compete.

Mr Simpson has stated that he is not attacking the RAC, but instead the way the Carpenter Government had handled the whole process.

"I have no problem with the RAC, it is a great organisation that does good work.

“However, by awarding this contract to a single private organization without taking it to tender first, the Carpenter Government has bypassed its own State Supply Commission and handed it a monopoly over this \$300,000 government created industry.”

Mr Simpson said the RAC was a successful organisation that provided great service to West Australians, but they were not the only organisation that could carry out these inspections.

“There are many mechanics in WA willing and able to conduct these inspections,” Mr Simpson said. “The State Government should not have arbitrarily banned them from doing these inspections.”

One major complaint expressed by Mr Simpson is that there are only a limited number of RAC auto repair shops in Perth.

Because of the limited number of RAC facilities, someone who lived in the outer metropolitan area would have to travel a long way out of their way to get to one.

“That is why the system needs to be opened up for competition,” Mr Simpson said.

“No one expects the club to be everywhere, but it is inconvenient if vehicle inspections cannot be done more widely.

“Why has the Carpenter Government awarded a \$300,000 monopoly to a single organisation that cannot service every community, instead of sharing the business with the many independent mechanics out there?

“The State Government should have taken this contract to tender first and they should have given privately owned auto repair shops and mechanics the chance to do some of these inspections.”

Mr Simpson said the fact that the Department of Planning and Infrastructure had to get an exemption from the State Supply Commission to bypass the tender process shows that there is something wrong with the decision.

“What is the point of having a State Supply Commission if it is then going to be bypassed by the Government?” he said.