

**Submission
No 8**

MOTOR VEHICLE REPAIR INDUSTRY

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Mr John Barilaro
Chair
Legislative Assembly Select Committee on the Motor Vehicle Repair Industry
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir,

I-CAR Australia responds to the invitation for submissions to the Motor Vehicle Repair Industry inquiry established in November 2013.

I-CAR Australia Background

I-CAR Australia is an inter-industry not for profit training organization that is industry funded and concentrates predominantly in the automotive collision repair sector. It operates under a License agreement from I-CAR, which is based in the United States and has operated there since 1979. I-CAR also has License arrangements with the inter-industry in Canada and New Zealand.

The parent organization was formed specifically to address the issues of correct vehicle repairs and to that end, researches, develops and delivers education and training programs to all market segments. The goal of the organization in Australia is to lift the level of available knowledge, to improve technical skills and to provide industry endorsed accreditation for the student commitment to ongoing training and education outside of the trade accreditation framework.

I-CAR internationally has training arrangements with a number of leading vehicle manufacturers and in the USA delivers education and training seminars for such companies as Audi, Chrysler, Ford, General Motors, Honda, Infiniti, Jaguar, Land Rover, Lexus, Nissan, Porsche, Scion, Toyota, Volvo and Volkswagen.

These partnerships encourage the exchange of information regarding collision damaged motor vehicle repair and remanufacture, with the goal of improving the quality of vehicle repair, and an improved safety protection for the motorist.

In Australia, I-CAR was endorsed by the Australian Motor Body Repairers Association (AMBRA), the Victorian Automobile Chamber of Commerce, (VACC) and the Motor Trades Associations within the states of New South Wales, Queensland and South Australia.

As well as the logistical support from those entities, assistance was provided in the form of initial funding. I-CAR received operational and funding support from the leading motor vehicle insurers:

- AAMI
- Suncorp
- Insurance Australia Group (NRMA)
- Allianz;

in addition to the industry's leading refinish and equipment suppliers:

- Akzo Nobel Car Refinishers
- PPG Industries
- DuPont Performance Coatings
- Car-O-Liner; and
- Sydney Automotive Paints and Equipment.

I-CAR operates as a member based organization which also includes over 100 collision repairers who also provided initial financial support.

Since the entry in 2006 to the Australian market, I-CAR Australia has continued on a very proactive basis with tremendous industry support and now enjoys strategic partnerships and training arrangements with companies such as:

- RACQ Insurance
- CGU Insurance
- QBE Insurance
- Zurich Insurance
- Lumley/Wesfarmers/Coles Insurance
- A & G Insurance
- Youi Insurance
- Progressive Insurance
- IAME (Institute of Automotive Mechanical Engineers)
- SAE (Society of Automotive Engineers)
- GM Holden Limited
- Audi Australia
- Mercedes Benz Australia Pacific
- Nissan Australia
- Toyota Motor Corporation Australia

I-CAR Australia is currently delivering courses as part of a knowledge improvement program for Vic Roads and has developed and delivered a course for the RMS relating to the Written Off Vehicle Legislation.

The Paper: Consultation Questions

2) The committee is to examine and report on:

(a) Smash repair work and whether it is being carried out to adequate safety and quality standards;

There is little doubt that the standard of repair varies dramatically, dependent in the main on the knowledge of the practitioner combined with the necessary level of skill and specific equipment. The recent CCAAC inquiry into the access to manufacturers repair information highlighted the technical information area as being a shortfall which had the potential to affect repair and safety quality.

The entire concept of I-CAR evolved as part of the transition of vehicle manufacture from body over frame construction, to the universally adopted steel unitized structure (Unibody). This manufacture transition, which commenced in the early 80's, witnessed the development and use of a range of exotic steels, which provided much greater strength to the vehicle structure, with significant weight and energy savings in manufacture. The use of these high strength, advanced high strength and ultra- high strength steels saw an introduction by necessity of an entire range of new machinery and equipment, capable of being used on the materials without any detrimental effect.

While one missing link in the landscape was the lack of up to date factual information and up to date training, the existing training framework which is competency based, appeared unable to stay current with the new information.

Such was the impact of the new technology, the relevance of competence in a particular skill was compromised by the lack of underpinning knowledge on how the new advanced materials and manufacturing techniques affected those pre-existing skills. It also hastened the identification of the skill levels required in a new market. Some traditional skills became obsolete and out-dated, and were proven in many cases to impart irreversible damage to the vehicle structure and hence the safety of the motoring public.

In reality, with an ageing and experienced workforce, there had been no opportunity for employees within the industry to undertake any form of up-skilling training, nor did they have opportunity to progress their career past the Cert III, Trade Certificates. Some employees had worked for up to 30 years with only their trade certification.

In the past seven years, over 17,000 I-CAR training units have been delivered across all states of Australia to collision repairers, insurance company personnel, independent vehicle assessors and government and regulatory authority employees. I-CAR provides underpinning knowledge and supports with generic technical information for those situations where a judgment decision needs to be made about the most appropriate method of damage repair. In the absence of any Australia Standards for weld quality on automotive grade steel, I-CAR also provides a proof of skill Qualification Test Program that provides an industry accepted accreditation to those technicians who can satisfactorily perform a series of welds in accordance with specific guidelines. These qualification programs are a first for the industry in Australia.

In conjunction with the regulatory training authorities and the industry's skills council, Auto Skills Australia Limited, I-CAR has engaged industry in promoting some of the changes with which it has been instrumental on an international basis.

I-CAR Australia introduced to the market the Professional Development Program (PDP). This program, as part of I-CAR's international program, is a focused education pathway, providing clear direction for the future of collision repair technicians and the role they will play in what has quickly become quite a sophisticated field. The PDP has set out for the industry collectively a complete training, education and learning pathway to foster improved knowledge of the engineering philosophies aligned with damaged vehicle repair. The PDP offers a comprehensive, performance-focused training experience, providing industry professionals the knowledge required to perform successfully in their roles. The PDP offers an opportunity to progress, over the course of one's career, by building on prior levels of experience and training and the knowledge that comes from them.

The program has identified seven key roles within the inter-industry and has aligned with those individual roles with a number of knowledge levels applicable to the roles. As the levels of knowledge improve, the courses most relevant to those levels and that particular role are clearly defined. Gone is the day when a technician is expected to be able to perform almost all tasks within a repair facility. The industry has morphed into a specialist or role specific operation. The specifics of the manufacture and repair process inhibit the ability of any one employee to be considered professional in all trade genres that make up today's industry.

As recognition of an industry participant's commitment to ongoing training and recognition, I-CAR has released two individual programs one of which provides what is effectively a "Master Technician" status to successful students.

The I-CAR Platinum Individual® designation recognizes individuals in the collision industry who achieve and maintain high levels of role-relevant training. Earning the Platinum Individual designation equips collision industry professionals with the knowledge and skills needed to perform complete and safe repairs.

The I-CAR Gold Class Professionals® designation is the highest training level recognized in the collision industry for the business. Through earning the Gold Class designation, businesses can increase operational efficiencies, reduce cycle times, and minimize repair mistakes. For a business to earn Gold Class recognition, four key employees must be designated as Role Reps and achieve Platinum in the following roles:

- Refinish Technician
- Steel Structural Technician
- Non-Structural Technician
- Estimator

Over the last seven years, more than 6,500 individual students have undertaken I-CAR training. These students come from all industry sectors, including repairers and Insurers. The larger organisations within the various market segments have actively supported both PDP recognition programs. I-CAR has become the industry's own accreditation authority for post-trade training and education.

I-CAR recently surpassed 370 students with Platinum Individual Status. It has recently issued Gold Class status to a number of collision repair facilities around the country. A number of leading insurance companies have committed to I-CAR training for their assessing

staff over and above the more traditional Certificate IV and one of those insurers has successfully achieved Gold Class status.

The PDP released by I-CAR has painted the first clear long term career pathway in this rapidly emerging industry. It has done so with unilateral inter industry support.

2) The committee is to examine and report on:

(b) The current Motor Vehicle Insurance and Repair Industry Code of Conduct, its governance structure and dispute resolution mechanisms and whether it is effective at regulating the relationship between repairers and insurers, and in serving consumer interests;

Based purely on the number of contacts with I-CAR about repair procedures, access to technical information and the like, it would appear that there is either a limited understanding of the Principles of the Code, or an election by some parties to disregard their intent.

c) Consumer choice, consumer protection and consumer knowledge in respect of contracts and repairs under insurance policies;

(d) The business practices of insurers and repairers, including vertical integration in the market, the transparency of those business practices and implications for consumers; and

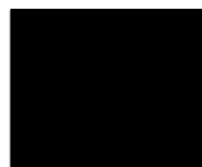
(e) Alternative models of regulation, including in other jurisdictions.

As a dedicated research, education and training organisation, I-CAR Australia makes no comments on the above topics.

Summary

It has become a common discussion within the inter-industry that the quality of repairs has improved markedly, providing a greater level of safety to motorists whose vehicle may have been accident damaged. Unfortunately, as there is no compulsion to attend career path training and to enhance one's knowledge of the challenges in today's repair market, the perceived improvement in quality has not transitioned across the entire industry. As one would expect, the improvement appears to have been limited to those with a social conscience and a desire to be the best they can in their own role.

I-CAR and its members and supporters strive to implement and deliver a common vision:
“that every person in the collision repair industry has the information, knowledge and skills required to perform complete, safe and quality repairs for the ultimate benefit of the consumer.”



Richard B PRATT
Chief Executive Officer
February 11th, 2014