

**Submission
No 14**

MOTOR VEHICLE REPAIR INDUSTRY

Organisation: Name Suppressed

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13 February 2014

The Committee Manager
Select Committee on the Motor Vehicle Repair Industry
Parliament House
Macquarie St
Sydney NSW 2000

Subject: NSW Government Inquiry submission

Dear Mr Barilaro,

Thank you for the opportunity to provide a formal submission to the NSW Government Inquiry into the smash repair industry. I would like to lodge a submission not just for the future of my business, but for the future of the 17 people I employ and for my son who I hope will one day take over this business that I have spent the best part of 40 years building.

I am worried about what looks to be an attack on the business models of many very good repairers who have good relationships with insurers; repairers who have adapted and developed their businesses in response to the demands of modern automotive technologies and consumers.

My business, [REDACTED] based in [REDACTED] NSW, currently performs about 35 repairs per week, from minor to the heavy-hit structural repairs. My customers include walk-ins, as well as jobs through insurance brands like NRMA, AAMI and GIO. I've been in business now for more than 40 years and am proud to say I am one of the most long-standing NSW MTA members, having been a member since 1969, including time spent as an MTA board member.

Before the StaySafe Committee report into preferred repairer schemes in 2005, I was an NRMA recommended repairer and operating a healthy, profitable business. After the StaySafe Committee handed down their recommendations about insurer preferred networks, I, like many repairers, lost 75-80% of my income. I had to lay off staff. My business nearly went broke. The old days of repairers capturing cars at the roadside returned and securing work became a battle.

I worked my way out of what were some really tough times for my business and my family. While times are still relatively tough, I am reasonably confident in the future of my business in the current environment, as I have good relationships with insurers, have invested heavily in the right technology and training for my staff and continue delivering on my resounding commitment to quality repairs for my customers.

While relationships with insurers are not always rosy, I disagree with people who flat out say that insurers are the death of the industry. They need us, just as much as we need them. The only way NSW drivers can continue to have their cars repaired to an high quality Industry standard is through investment in the next generation of repairers and by supporting progressive, forward thinking repair businesses.

The old days are gone. Cars today are incredibly difficult to repair. My [REDACTED] is just as passionate about the industry, but has a totally different way of thinking from me. I agree with him that Escribe will be integrated more and more into the future. We can upload images, order parts and have the plans with me as I walk around the car. Consumer expectations are also increasing, with many of our clients preferring an SMS over a phone call.

Repairers today can't just be good at panel or paint. They need to be engineers, chemists, computer savvy and understand the online global marketplace to find a good deal on parts, waste disposal or equipment.

One way to really tackle quality is through a strong insurer recommended repairer network with random checks and highly qualified assessors. Insurers, like all businesses, are looking for stability, quality of work and good relationships with suppliers. The need for repeat business from what is now a pretty fickle customer means that both insurers and repairers have a vested interest in working together to achieve a quality repair.

If a repairer hits the mark in terms of the quality of their work, invests in the right equipment and support their staff, then they deserve the business endorsement that comes through insurer repairer recommendation.

But we need a level playing field – a way for the average consumer to tell which repairers invest and develop their business to repair cars to high safety and quality standards, not just for the customer, but for their staff.

Conclusion

I'm a firm believer that if we continue to do a good quality job, on time, at a reasonable price, with great finishing, detailing and customer service, then we will continue to stay in business. I just hope that the model I have worked hard to develop isn't stymied by near-sighted government policy. We also need to ensure that the margins remain so that the profits are there allowing each business to invest and train staff .

With increasing automotive technology and general costs of doing business (e.g. increased input costs, payroll tax, tax on workers comp and public liability,power), I would like to see this inquiry look at ways to better support smash repair businesses committed to and investing in training the next generation of tradespeople.

Specifically, I believe the industry needs:

- A level playing field for all repairers through the development of a consistent industry standard that outlines the minimum requirements of equipment, training, technical information and business practices. NSW drivers have the right to know which repairers are still using outdated equipment and employing tradespeople untrained in modern techniques and which repairers have invested to repair their car to high safety and quality standards.
- Support packages for repairers who may be unable to meet the technical requirements of repairing modern cars, and who need assistance mapping their transition out of the industry.
- Financial support for smash repair businesses committed to and investing in training the next generation of tradespeople.
- Penalties for apprentices not turning up and good rewards for those that finish their apprenticeship.

Thank you once again for the opportunity to lodge a submission to this inquiry. While I am happy to talk to any of the above issues privately, I respectfully request this submission is kept confidential. If you would like to visit my shop, please don't hesitate to contact me on my details below.

Yours sincerely,

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