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RE THE PARLIAMENT INQUIRY INTO THE MOTOR VEHICLE REPAIR INDUSTRY

I would like to contribute information to this very necessary inquiry. I have been repairing cars, and been around longer than most (55 years) I have a wealth of information that would assist to bring back the lost standards of reality, disclosure fairness, and transparency to an industry that is at crisis point.

In brief we have an industry totally controlled by 10 major insurers who are all making their own rules which are riddled with very Questionable Practices. I believe this Parliamentary Inquiry will find that some Insurers use Illegal and Corruptive practices.

They dominate, dictate, and crush any repairer who dares to ask for fairness and transparency . They totally ignore the Code of Conduct introduced in 2006. Those assessors who make the most reductions to repairers quotes are more highly regarded by the company and rewarded by generally being moved into higher management positions.

There is huge unrest with assessors in the industry, many are continually changing jobs to other companies, many open up to repairers and advise they are not happy with what they are instructed to do, or they will lose their job. Most assessors would prefer to work with RTRM (Real Time, Real Money) but their companies direct them to work to the FTFM (Funny Money, Funny Time) system which mainly benefits the Insurer but is open to errors, serious shortfalls, manipulation and abuse.

Surely this FTFM system has to end. We don't want a system where a repairer has to quote 12-14 hours for a genuine 3 hours repair. But then the same FTFM system shortfalls the repairer by totally ignoring the real costs of panel and paint materials with the assessor claiming "ITS INCLUDED". The car owner that gets a FTFM quote is confused to see quotes at \$29-30 dollar rates and 50hrs required but then told the job will only take 2 days (16hrs) to complete.

Surely again the Industry doesn't need a FTFM system where not one insurer can provide the allowance he is paying for all paint and body materials required to do the repair. The Code Says (page 16 item 6.2 (b)
6.2 (b) Repairers in their estimation methodology may separately cost paint, parts,

significant consumables and mandatory government environmental levies in so far as they apply to a repair.

Many Insurers Refuse to accept materials costed as the code requires.

Paint and consumable materials are expensive and attract GST (The average painter can use \$600 plus materials daily) The FTFM system hides material costs and fails to compensate the repairer fairly for these materials, and he then loses again for the GST he has paid. It should be compulsory that both Insurers and Repairers work to RTRM estimate and assessment methodology and abide by The Code.

With many Assessments there is always a shortfall .

The "Insurance Way of Control and Assessment" should be abolished. There is a huge conflict of interest to satisfy only themselves.

They work with a "Game Plan" to Steer and Reward a very chosen few repairers and "Rob the Rest" . These rewarded Insurance Controlled repairers receive volume work steered with deceptive, misleading and standover information directed to owners who wanted to go to the repairers they normally would go to. Most of these repairers have work stockpiled with 1 to 6 weeks wait before they can start repairs. This causes delays to the car owner, poor work flow for the majority of licenced repairers, and the closure of some high quality workshops.

So a high volume of Insurance work is being directed for the Cheapest Cost to Repair and not to a shop working to a Quality Standard. The car owner who is steered away generally receives a low quality "Get By" and in many cases a Sub-Standard Repair.

Rectification work on cars poorly repaired is at its highest level, mostly coming from the Insurance Controlled Network of workshops.

My workshop has carried out Rectification Damage Reports and done rectifications on all of the above mentioned workshops but they are still being directed volume insurance work.

Recently we had a repaired Captiva so badly repaired that a representative negotiated in my office a settlement with the owner to declare the car a buy back. The owner received a new Captiva, 1 full years insurance plus \$7,000 compensation for the six months in time she had spent trying to get the car rectified.

Currently in my workshop we have two Repair Rectifications in progress.

One: for a [REDACTED] Hyundai I-Load Van [REDACTED] in the first place was steered away from his chosen repairer [REDACTED] and directed to a [REDACTED] preferred repairer. He has been directed back to the [REDACTED] repairer a number of times for rectification but they have still not been able to repair the car correctly. In desperation he contacted the MTA who referred him to our workshop and now he is seeking compensation from [REDACTED] for the rectification.

Two: This Mitsubishi Mirage is owned by [REDACTED] insured with [REDACTED]. She came to our workshop and we submitted a fair & reasonable quote for repair, but even before inspections were done she was forced to take the car to [REDACTED] at [REDACTED]. The repair [REDACTED] done is of a very poor standard. She spoke to the MTA at our workshop seeking help for rectification. MTA contacted [REDACTED] who use a "Funny Time" quoting system of \$30.00 an hour. An assessor from [REDACTED] called on Friday 7/2/14 and authorised for the rectification to be carried out.

So once again I advise of the high volume of Sub-Standard work being carried out by Insurance Companies trying to work to a Price and not to a Standard. Last year 2013 our workshop carried out over 28 Repair Rectifications. Many other repairers have similar stories of increasing volumes of rectifications and Loss of Work because of Insurance Co Steering Practises.

Currently there are No Insurance Standards for allowances of Times, Rates, Materials and Sundry items required in the repair process. MTA NSW have the only proven allowances

We have Insurers just doing as they please. There is a huge conflict of interest The repairer who receives a poor assessment has no one to complain to. The car owner also has to go through hell to try and get a fair & reasonable result.

Many repairers are terrified of the Insurance Companies, and frightened to speak out because Insurers have their ways of treating repairers who do.

We need more totally INDEPENDENT Assessors, looking after assessments. Competent Independent Assessors who fully understand the "Realities" of Car repairs are also pressured by the Insurers to work to their times and rates or they are starved of further work.

The modern cars of today are very "Complex and Delicate" and must be treated with care and considerable accuracy. They are as complex as the human body and should be treated like the medical profession.

Repairers are not just Panel Beaters, Spraypainters and Mechanics.

We are really, "Surgeons of Steel, Plastic, Paint, Electronics, and Mechanicals.

Imagine a very sick person having to Hawk themselves around to numerous doctors to find the very cheapest doctor and medication for a life saving operation.

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The way of assessing cars towed to a centre for repairers begging to be the cheapest tender is the "Benchmark of Stupidity". Assessing cars not dismantled is an accident in disguise about to happen, It's an insult to the car owner, causing excessive delays and open to manipulation, misuse and abuse. I believe they have more rectifications than all other Insurers combined. This practise should be outlawed immediately.

My opinions on the way forward, We need Controls and STANDARDS

Firstly, once an accident claim is recorded to an insurance company it should be compulsory it is actioned and assessed within 48hours.

Desktop Insurance assessments where deductions are made without any contact or negotiation with the repairer should be a "Breach of The Code"

- 1 Make eMTA the MTA RTRM System the Industry accepted Times Guide. MTA to train both Insurers, Assessors and Repairers on its use. MTA NSW are the only organisation that can provide accurate video proof of RT (Real Time) for R/R and Paint operations which cover all Australian cars.

- 2 Make all Insurance Companies and Repairers adopt a RTRM quoting system
- 3 Make all Insurance Companies and Repairers accountable to disclosure, fairness and transparency
- 4 Set the guidelines for determining fair and reasonable Labour Rates insurers should pay repairers.
- 5 Should an assessment of damage be carried out where either Insurer or Repairer cannot reach agreement, then immediately a totally Independent Expert can be engaged (paid for by both parties) and appointed by "The Code" to monitor the repair from start to finish to determine the True Times and Costs of the Repair. Under the current system. The assessor just reduces the quote and runs to do the same to the next repairer. He should be the architect of repair and follow the job, but company controlled assessors never learn ever if their times and

allowances were fair and reasonable.

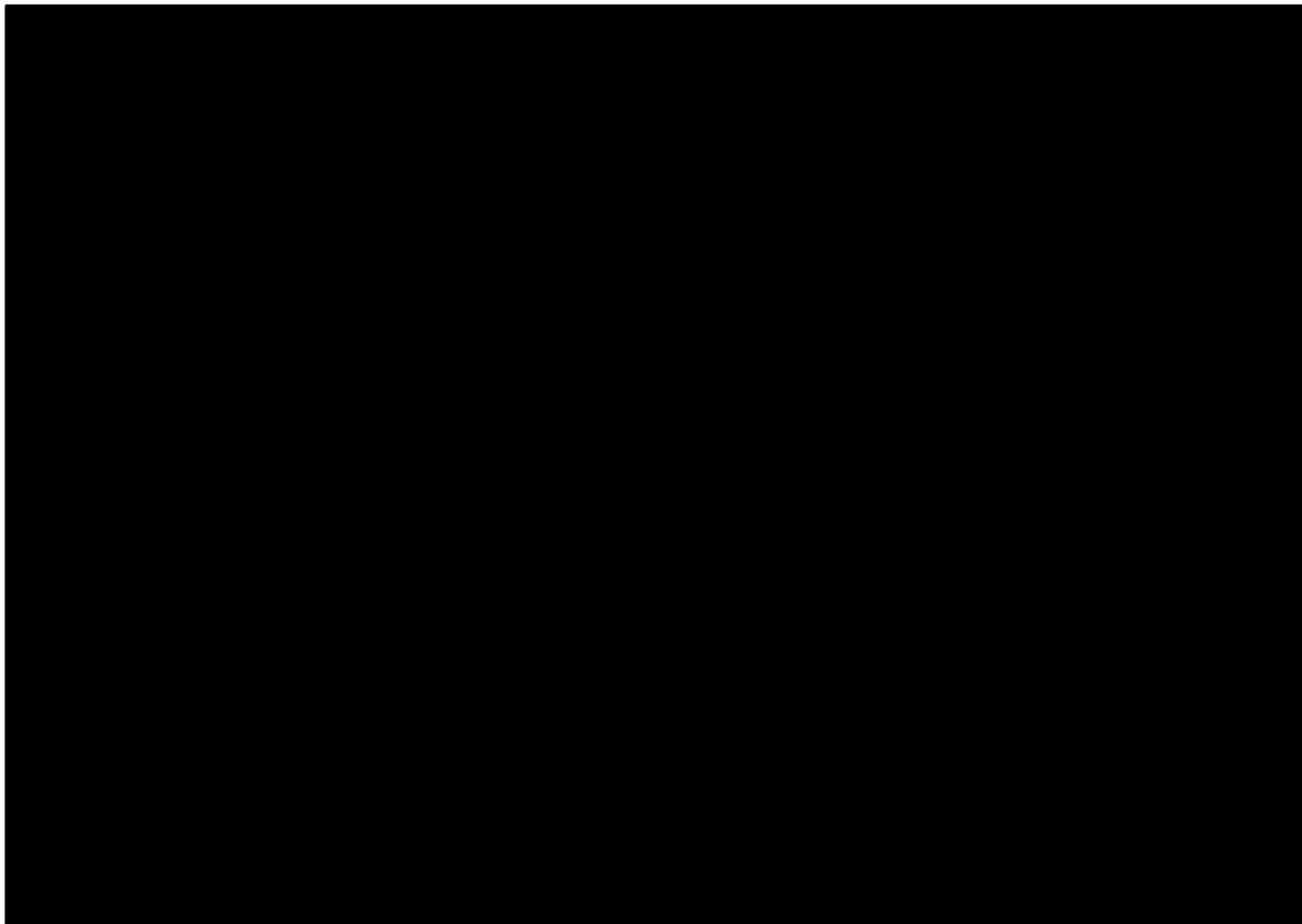
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- 6 Set up a Name and Shame Register for all Insurance Companies and Repairers and Insurance Assessors who have major rectifications reported. All are to blame In most instances for a repair not up to standard.
- 7 The Mediation process currently in place is just Not Working, It is way too slow and costly, never gives a result, and in need of serious repair.
- 8 The racetrack times and Insurance allowances offered have totally destroyed the apprenticeship system and closed a number of Tafe Training Classes. there has to be profit margins for repairers to be able to engage more apprentices to this industry.
- 9 There a many more serious problems in this Industry. The Total Insurance Control will never give a Fair Dealing to the Car Owner, or the Repairer. Make all Assessors independent, Put MTA in charge of RTRM, and introduce standards and penalties for those who Breach The Code. Name & Shame those who Break The Rules and a clear Notice of Fair Dealing will start to be returned to those who have been suffering for many years in this industry.

Thanking you



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