

**Submission
No 38**

MOTOR VEHICLE REPAIR INDUSTRY

Name: Name Suppressed

Date Received: 14/02/2014

14 February 2014

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

Email: motorvehiclerepairinquiry@parliament.nsw.gov.au

Dear Mr Barilaro,

My name is [REDACTED] and I am the director of [REDACTED] and we are located at [REDACTED], New South Wales.

Our business has been operating for over 9 years at its current location.

I Took over this business in December 2003 with my then business partner, but the partnership only lasted two and a half years as my then business partner did not see a future in owning a Smash Repair business.

My wife [REDACTED] a qualified accountant stepped in to help me develop and grow the business to where it is today.

We currently employ 3 administration staff, 2 tradesman panel beaters, 1 apprentice panel beater, 2 tradesman spray painters, and 1 labourer/detailer.

Our business site is approximately 900sqm, with main road frontage and a workable space for 12 vehicles inside the workshop, and parking for a further 15 vehicles outside.

Currently we are repairing between 15 – 20 vehicles per week.

We have Insurer direct relationships with Suncorp brands, The Hollard group (Real Insurance, Woolworths) and Progressive insurance. All our non-direct relationships are with all other insurers such as NRMA, Budget, Coles Insurance etc.

We are a Member of MTA NSW, and I am a current member of the Suncorp repairer advisory board NSW.

It wouldn't be true if I said we were not in business to make a profit because we are and to achieve this objective we have a strong belief in fast turnaround times and a strong emphasis on nurturing customer relationships with a focus on quality to keep our current client base and also on safe repairs.

We have recently taken over another Smash Repair business in Central Western NSW, with a view to expand into other regional centres. It does appear that there are opportunities in regional Australia to expand and develop well organised Smash Repair businesses.

This new business venture, was well researched before undertaken and is called [REDACTED] and is located at [REDACTED], NSW.

The previous owner, owned the business for more than 20 years and sold up so as to semi retire, also was very disgruntled with this industry under the current climate with Insurance company relationships.

Currently we employ in this shop, 2 administration employees, 1 only part time, 1 panel beater & spray painter tradesman. Currently advertising for more staff including an apprentices.

Site is approximately 600sqm in an industrial estate; there is no passing trade and working space for 9 vehicles inside the workshop. Parking off street for a further 12 vehicles and on street parking for 100 plus vehicles as surrounding land is vacant. Currently we are repairing approximately 8 – 10 vehicles per week with a view to increasing this.

This shop is a BMW approved repairer with current staff trained in BMW procedures. Currently there are no other relationships in place but we are in negotiations with two Insurance Companies and another Manufacturer with other Marque brand opportunities. We have the same belief for this business in terms of profit, turnaround, customer relationships and quality and safety.

I have just entered into my thirty second year in this industry which includes my apprenticeship years with varied roles from Tradesman Panelbeater, Foreman, Estimator, Manager and currently Owner/Director.

I believe the consumer is looking for timely turnaround for repairs, quality, safety and being informed of the repair process from repairers. For insurers, it is choice of repairer in some cases, ease of making a claim and the right repairer for the right job. Not under performing or poor quality repairs, Inexperienced Tradesman who don't repair to a standard and unequipped workshops with the correct equipment.

As for the code of conduct, it is step in the right direction, but like all codes needs constant changes with changing times and rates.

Our relationship with insurers has always been good and any issues have been dealt with in a professional manner, not forgetting that most of our dealings are with Assessors or middle management and not with those making the decisions that affect our viability as a business.

How important are formal arrangements such as panel agreements to your business?
Panel agreements are very important to our business from two points of view, first being consistency of work and secondly for cession planning.

Does the repair industry need a level playing field to encourage innovation and to ensure jobs go to qualified businesses who invest in their shop and staff?

The question should be, is a minimum standard required? But that should not just end at technician training or equipment shop levels but rather should include estimating, management and business viability standards.

Do you consider your business an innovator in the industry? How do you innovate/stay competitive?

Our business is not necessarily an innovator in the industry, but we are willing to try new ideas and take advantage of new products in the market place whether it be consumables equipment or better methods of repairs or way to improve turnaround times and keep training to stay ahead of others and as competitive as we can be in this changing environment.

Should Australian manufacturers selling cars make vehicle specifications readily available to smash repairers?

Australian manufacturers should make vehicle specifications available to Smash Repairers as manufactures expect their vehicles to be repaired to a standard and they surely can provide the information required of the standard and procedure for their vehicles.

Do repairers and the repair industry need additional regulation or government intervention?

Intervention and controls are required in the repair industry as the two sides of the repair Industry have completely different agendas. The two sides being Repairers on one side and Insurers on the other side. Repairers are looking for profit, reinvestment and happy customers. Insurance companies want low cost for repairs and are prepared to manage their own risk with under trained and low equipped workshops and let lower management staff deal with unhappy customers.

If you would like to contact me in regards to this letter, please feel free to contact me at any time

Yours sincerely,

A large black rectangular redaction box covering the signature area.