



Matthew Mason-Cox MLC

Minister for Fair Trading

MEDIA RELEASE

Monday 22 December 2014

NSW GOVERNMENT RESPONSE TO THE SMASH REPAIRS INQUIRY

A tougher industry code of conduct and a licensing scheme for motor vehicle insurance loss assessors are among a range of key measures to be introduced by the NSW Government to safeguard consumers, NSW Fair Trading Minister, Matthew Mason-Cox, said today.

After careful consideration, the NSW Government had decided to support most of the recommendations made by of the Select Committee's report into the Motor Vehicle Dealer and Repairers industry, Mr Mason-Cox said.

"In weighing up our response, our focus was purely on ensuring that safety standards remain high, the code of conduct is properly enforced and industry groups are acting ethically, in the best interest of consumers," Mr Mason-Cox said.

"We believe the NSW Government response has achieved this."

To improve consumer and repairer confidence in the industry, the NSW Government will support the proposal to introduce licensing scheme for insurance loss assessors.

"The new licensing regime will be implemented under the Motor Dealers and Repairers Act 2013 and will be administered by NSW Fair Trading," Mr Mason-Cox said.

"We believe the adoption of a licensing regime for loss assessors will address market concerns and send a clear message to the industry at large about the importance of safe motor vehicle repairs. "The Government intends to legislate on this recommendation in 2015."

The NSW Government also believed there was room for improvement in the Motor Vehicle Insurance and Repair Industry Code of Conduct, Mr Mason-Cox said.

"For those reasons, the NSW Government will introduce legislation next year to toughen penalties for offences where there is a breach of the code or anyone engages in misleading and deceptive conduct," Mr Mason-Cox said.

"The NSW Government has listened to the concerns raised in the Inquiry in relation to unethical steering of customers to network preferred repairers.

"This is an unacceptable business practice, which undermines independent repairer businesses and deprives consumers of choice.

"It's important that the Code has real teeth to ensure that both repairers and insurance companies behave responsibly and in the best interest of consumers."

Legislation will be introduced next year to increase access for repairers to the Office of the Small Business Commissioner to resolve repairer disputes with insurance companies.

“We will work closely with the Commonwealth, which regulates the insurance industry, and industry to increase transparency in insurance contracts when it comes to a consumer’s right to choose their own mechanic,” Mr Mason-Cox said.

NSW Motor Traders’ Association Chief Executive, Greg Patten, said: “We applaud the Minister for listening to stakeholders concerns.”

“We are pleased that the NSW Government will be adopting a licensing scheme for Insurance loss assessors. “It is something the MTA has been fighting hard for and we congratulate the Minister for acting on these much needed changes.”

Australian Association of Progressive Repairers President, Steve Popovic, said: “We welcome the NSW Government’s response to the Parliamentary Inquiry into report into the Motor Vehicle Dealer and Repairers industry. “This is a great outcome for consumers and the industry.

Of the 21 recommendations proposed by the Select Committee, the NSW Government supports 18 of the proposals.

Mr Mason-Cox said the motor vehicle industry was a vital part of the NSW economy with almost six million cars registered in NSW alone. “It’s imperative that consumers are protected and the industry is regulated by good law,” he said.

“The significant measures we have announced today, combined with the new motor vehicle laws, which started on the 1 December, we believe will make sure NSW consumers have the best motor vehicle safety standards in the country.

“In September, I announced that the maximum penalty for any dealer or repairer altering a car odometer will be doubled to \$22,000. “A new public name and shame register has also been established to allow consumers to check if a dealer or repairer has a current license or any disciplinary action recorded against them under the new Act.

“I would like to thank the Select Committee for its comprehensive report and all the stakeholders for their feedback.”

To view the Government’s full response to the inquiry, visit www.fairtrading.nsw.gov.au or you can contact NSW Fair Trading on 13 32 20.

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