



MEDIA RELEASE

FRAN BAILEY

Minister for Small Business and Tourism

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INDUSTRY CODE OF CONDUCT - A WIN FOR SMASH REPAIRERS

Small Business and Tourism Minister Fran Bailey today announced the establishment of an industry code of conduct as part of the Australian Government's response to the Productivity Commission's inquiry into the relationship between the smash repair industry and the motor vehicle insurance industry.

"An industry code will inject transparency and certainty for smash repairers and will go a long way to resolving the longstanding disagreements between the two sectors," Fran Bailey said.

The Government requested the inquiry last year as part of the Coalition's push to improve the working relationship between the two industries. "The Government agreed with the key recommendations of the report - that disputation between the parties is serious enough to warrant the introduction of an industry code" said Fran Bailey.

"On close analysis of the Productivity Commission's report, the main problem identified that the four main insurance companies wield strong negotiating strength in their dealings with mostly small, independent smash repair businesses. In short, insurance companies should at every opportunity ensure smash repairers receive a fair go" said Fran Bailey.

The report found that insurers are in a position to address many of the problems between the two industries at little cost to either industry and the most appropriate mechanism for achieving this is an industry-wide code of conduct which will ensure the cost of regulation for small business is as low as possible.

As a minimum, the code will address issues of concern including:

- A transparent and independent external dispute resolution mechanism
- Full disclosure in preferred smash repairer arrangements
- Retention of preferred smash repair status upon the sale of a business
- Full disclosure in quoting for work and payment
- A fairer system of guarantees for repairers
- Up front disclosure on whether insurance policies provide choice of repairer

"I will be establishing a taskforce comprising representatives from both the smash repair and insurance industries to develop and agree to a voluntary code. Should the development of a voluntary code not be achieved within nine months, then other regulatory options will be considered by Government.

The Productivity Commission report is available at www.pc.gov.au. The Australian Government's response to the report is available at www.industry.gov.au/governmentresponse

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