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Media Release

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Examining regulatory settings for motor vehicle insurance and smash repair industry lays the foundations for significant reform.

The Federal Government's decision to examine the regulatory settings in the commercial conduct of the car insurance and smash repair industry is potentially transformational, says the Motor Trades Association of Australia (MTAA).

MTAA, its Member Associations, and Australian Motor Body Repairers Association (AMBRA) representations to regulators, separate jurisdictional and parliamentary inquiries in three States and the Federal Government have led to this critical national examination of an industry plagued by problems created by influential, dominant market participants.

MTAA CEO Richard Dudley said Assistant Treasurer Sukkar and the Morrison Coalition Government have not only listened to concerns about significant market power imbalances detrimental to consumers and small businesses but investigated and acted to address them.

'In the 46th Parliament, the Morrison Government has delivered reform in new car franchising, provided the law and scheme to mandate motor vehicle service and repair information and introduced improved unfair contract terms. And will now task the Treasury Department to examine whether existing regulatory settings effectively address concerns about commercial conduct in the motor vehicle insurance and smash repair industry,' Dudley said.

The action by the Government follows decades of representations and advocacy for recognition of the impact of constraining commercial conduct and detrimental behaviours by powerful insurance companies on smash repair small businesses and consumers.

MTAA believes the voluntary code and current regulatory settings do not deter unwanted or unwarranted conduct and behaviours or address the impacts of a significant market power imbalance by some dominant insurance company participants.

'MTAA and Members recently highlighted the lack of recognition and adequate compensation for repairers forced to absorb price increases on materials and supplies,' Dudley said.

'This examination is the start of recognising the need for reform, including prescribing a mandated code as a long-term solution,' he added.

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