

Motor Vehicle Insurance and Repair Industry Code of Conduct

EXTERNAL REVIEW OF THE CODE

IMPORTANT NOTICE TO ALL SMASH REPAIRERS AND INSURANCE COMPANIES

In 2004, at the request of the Federal Government, the Productivity Commission conducted an inquiry into the relationship between the insurance and smash repair industries. The Commission handed down its final report on the 17th March 2005, (Inquiry Report No. 34), containing a number of recommendations, but primarily calling for the establishment of a voluntary Code of Conduct to promote transparent, informed, effective and co-operative relationships between smash repairers and insurance companies.

In 2005 the then Federal Minister for Small Business, the Hon Fran Bailey MP, responded to these recommendations by setting up an industry taskforce charged with the responsibility of developing a voluntary Code of Conduct. The Implementation Taskforce was made up of representatives from the major insurance companies and repair trade associations and took six months of intensive consultation to agree on the content of the Motor Vehicle Insurance and Repair Industry Code of Conduct (Code). This Code came into effect from 1st September 2006. A short time later the Code became a Statutory Code in New South Wales. A copy of the Code can be found on the Code website at www.abrcode.com.au.

Section 12.2 (f) of the Code requires the Code Administration Committee (CAC) to conduct:

“...an external review of the operation of the Code every three years from the commencement of the Code”.

The CAC conducted an initial internal review of the Code in 2007, and included its findings in the 2007 Annual Report, which can be found on the Code website, together with a copy of the 2008 Annual Report which was released in April 2009. As the Code has now been in place for 3 years repairers, insurance companies and their respective associations, are invited to participate in this external review of the Code.

SCOPE OF REVIEW:

In accordance with the Code, the priority for the review should be a consideration of whether the Code has operated in accordance with the provisions of the Preamble and Principles of the Code, as contained on page 5 and 7 of that document respectively. The review should also consider whether the current clauses of the Code operate in a manner which support or detract from the Preamble and Principles of the Code.

While the focus of the review is not intended to canvass matters outside the scope of the guidelines provided in the Preamble and Principles of the Code, other than where such matters directly impact on the Code's ability to deliver on these stated objectives, should a matter, or matters, be regularly and consistently raised by participants in the review process these matters should be noted and reported on as an addendum to the review document.

The review will gather information and views from interested parties, and report on these to the CAC.

PROCESS FOR REVIEW:

The external review will be conducted through the following process:

- Written submissions (in the format outlined in the Guide for Submissions) will be considered by the reviewers from all interested parties who operate under the Code;

- An optional 2 day face-to-face session will be held in Sydney. Day 1 will be for repairers and Day 2 for insurers. These sessions are to allow interested parties who operate under the Code to put forward their views directly to the reviewer;
- the views of those attending face-to-face sessions are to be supported by a written submission (prior to the face to face meetings). Any anecdotal comment will not be accepted without evidence being provided to support any matters raised;
- any additional material/views are to be submitted to the reviewer in writing within 2 weeks of the face-to-face sessions; and
- interested parties who operate under the Code should submit their views in writing to the external reviewer. A Guide for Submissions has been prepared to assist in this process, and this is available on the Code website (www.abrcode.com.au).

The CAC has engaged the services of **ICDPA** to conduct the External Review. Further details may be obtained from your local trade association, from the Code website (www.abrcode.com.au) or from the external reviewers directly:

Mr Graeme Addison
 ICDPA
 8 Moralla Road
 Kooyong Vic 3144

All contact should be via email to: graeme@icdp.net

TIME FRAME FOR REVIEW:

All written submissions are to be received by the reviewer no later than **4.00 pm on Wednesday 25th November, 2009**.

The Reviewer will also be holding optional face-to-face review sessions providing interested parties who operate under the Code with an opportunity to speak directly with the reviewers, in support of the matters raised in their written submission.

These sessions will be held in Sydney on **Wednesday 9th December, 2009** for repairers and on **Thursday 10th December, 2009** for insurers.

The first day session (for repairers) will be held at **MTA-NSW, 43 Brisbane Street, Darlinghurst** and the second day session (for insurance companies) at **ICA Level 4, 56 Pitt Street, Sydney**. Each session will commence at 10am.

Should you wish to participate in one of these sessions please register your intention on the CAC website (www.abrcode.com.au) by **4.00 pm on 25th November, 2009**. Participants will be responsible for all costs associated with their attendance at these face to face sessions.

James McCall
 Chairman
Code Administration Committee