



11 March 2019

Ms Megan Trudgian
Mandatory Motor Vehicles Scheme
Consumer and Corporations Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: repairinfo@treasury.gov.au

Dear Ms Trudgian,

Capital S.M.A.R.T's response to the proposed Australian Mandatory Motor Vehicle Code

Thankyou for the opportunity to respond to Treasury's consultation paper: Motor Vehicle Service and Repair Information.

As a significant participant in the smash repair market, we believe that the introduction of a Code will deliver improved efficiency and accuracy in the repair process, which will benefit Australian drivers by enabling faster and consistently higher quality repairs, through a more competitive industry.

Capital SMART Repairs Australia Pty Ltd (S.M.A.R.T) is one of Australia's largest smash repair businesses, operating 45 sites across every state, serving approximately 185,000 Australians per year. Our customers are major insurance brands, auto clubs and fleet providers, including AAMI, Vero, Shannons, APIA, Suncorp Insurance, Hertz and RACT, and we partner with them to provide repair services when their policy holders or members make a claim.

S.M.A.R.T repairs most makes and models of vehicles in a market that has one of the most diverse brands per capita on its roads. Consequently, S.M.A.R.T procures over 500,000 parts per year across approximately 60 brands and hundreds of models of vehicles.

S.M.A.R.T's focus is on speed, cost and quality of repair for vehicle owners. Our target is to achieve a three-day repair period for 85-90% of vehicles; this is an important aspect of our service offering that is particularly valued by vehicle owners.

One of the most crucial factors in achieving this speed of repair is easy and accurate access to Original Equipment Manufacturers (OEM) parts data and repair method information.

We believe this could be significantly improved. The introduction of the Code is an opportunity to level the playing field and drive competition in the industry, which ultimately will improve speed of repair and customer service.





We believe that there are three key benefits to establishing the Code:

1. Improved speed and accuracy of repairs, leading to an improvement in customer outcomes;
2. Benefits to consumers of a more competitive industry, driven by efficiencies for the repair industry; and
3. With rapidly emerging technologies from OEMs, a centralised portal will assist in ensuring all aspects of the repair process (including diagnostics and calibration) are consistently delivered to OEM standards.

Theme 1: Improved speed and accuracy of repairs, leading to an improvement in customer outcomes

- Up to 30% of S.M.A.R.T's targeted three-day turnaround time is currently spent identifying, sourcing and awaiting the delivery of parts.
- The establishment of the Code mandating greater access to OEM data will lead to improved service and customer outcomes.
- Identification of available parts is crucial to providing customers with accurate expected turnaround times. This is particularly important as vehicles that are assessed by S.M.A.R.T go straight into the repair process, and are not sent away for the customer to return when the parts are available.
- Access to full repair methodology will further enhance the efforts to ensure that vehicles are always returned to OEM standards post repairs.

Theme 2: Benefits to consumers of a more competitive industry, driven by efficiencies for the repair industry

- The ability to generate genuine competition in the market will directly improve consumers outcomes, including price and speed of repair.
- Currently, across the industry there is a risk of incorrect parts being ordered or ultimately fitted, as there is an element of interpretation required due to the lack of transparency of data. This would be significantly reduced, delivering an improved service to customers.
- Error rates in parts ordering would be significantly reduced, again improving turnaround times for customers.
- To drive further repairer efficiency and customer benefits, there are new digital solutions emerging in the industry that seek to reduce delivery times; however, to be effective these systems require correct identification of parts – first time, every time.
- Fundamentally, improved access to OEM parts number data and other repair information will create a level playing field and will drive a more competitive industry.

Theme 3: A centralised portal will assist in ensuring all aspects of the repair process (including diagnostics and calibration) are consistently delivered to OEM standards. This is particularly important in the context of rapidly emerging technologies from OEMs.

- Improved access to information on repair processes will better equip the repair industry as the pace of change around emerging vehicle technologies accelerates. This is fundamental to ensuring that vehicles are returned to OEM standards following repairs.
- Currently, calibration and diagnostics for certain processes are mandated by OEMs to ensure that warranty conditions are maintained. There is significant customer benefit to extending this to all processes and repair methods.
- For S.M.A.R.T, with 45 sites and nearly 60 OEMs serviced, consistency is a key focus that delivers real customer benefits. By driving greater transparency of information, the Code will further enable this consistency, for S.M.A.R.T and across the industry.





- Furthermore, S.M.A.R.T employs over 80 apprentices across its sites and is committed to training the next generation of smash repairers. Improved availability of repair data will facilitate training and knowledge sharing for new employees.

Fundamentally, the Code offers an opportunity to significantly improve competition in the industry, ultimately improving customer outcomes.

Please do not hesitate to contact me directly if there is any further information that I can provide on the matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Marino'.

David Marino
Chief Executive Officer
Capital SMART Repairs Australia Pty Ltd

