

# BULLETIN

## Body Repair Division



Reference No: BRD 11-17

Date issued: 02/05/2017

### **AMBRA and IAG Thrash Out Concerns About IAG's Revised Terms of Authority**

Dear BRD Member

Members would be aware from previous Bulletins that due to pressure generated from Victoria, and then picked up as a national issue by the Australian Motor Body Repairers Association (AMBRA), IAG agreed to roll back the introduction of its March 2017 Terms of Authority (TOA). IAG still plan to implement this new TOA on 1 July 2017 but agreed to hear repairer concerns, with the possibility of amending some aspects of the content. It should be noted the before February 2017 version is still current and should be used by body repairers in their dealings with IAG.

A roundtable review of issues surrounding IAG's release of its March 2017 version of the TOA was conducted in Melbourne last Friday 28 April 2017.

The meeting was attended by the Small Business Commissioners from Victoria, NSW, and South Australia, and chaired by the AMBRA Chairman, Mr Jeff Williams. Also in attendance were AMBRA Delegates, MTAA CEO, Mr Richard Dudley, and MTA Executive Directors from across Australia.

At the meeting Mr Morry Corvasce, BRD Executive Committee Chair, and Ms Carly Ruggeri, BRD Executive Committee Vice-Chair, put forward a firm position and provided relevant evidence on what body repairers' concerns were with the TOA. Along with Mr Williams, a strong repairer-focused position was heard by IAG senior managers, and in the presence of the Small Business Commissioners. The positive dialogue eventually led to the possible strengthened relations between repairers and IAG by suggesting alternative terms be included in the 1 July 2017 TOA.

The main obstacle to a possible resolution was that in the view of AMBRA, reference to the importance of the Motor Vehicle Insurance and Repair Industry Code of Conduct (the Code) needed to be reinstated. AMBRA pushed for the Code to prevail if there is any conflict between smash repairer agreements, the TOA and the Code. In AMBRA's view, anything less would see the vast majority of AMBRA's 3,500 member repairers across Australia losing confidence in IAG's commitment to the Code. In effect this could be seen by repairers as IAG turning its back on the Code.

There were several other sensitive and significant issues discussed, with agreement being reached amongst the parties about parts procurement that IAG would enter into open and continuing dialogue with AMBRA on this issue. Mr Williams and Mr Corvasce made it very clear to senior IAG representatives that AMBRA and all MTA Body Repair Divisions were committed to ensuring that the Code was the national framework for insurers and repairers to promote for the efficient operation of, and consumer confidence in, a professional and competitive motor vehicle insurance and repair industry across Australia.

VACC will keep members informed of any decisions IAG make in regards to these discussions.

**John Guest**

Industry Policy & Division Leader

P: 03 9829 1142

M: 0418 329 527

E: [jguest@vacc.com.au](mailto:jguest@vacc.com.au)