

THE FEDERAL GOVERNMENT ANNOUNCES THAT THE TREASURY DEPARTMENT WILL EXAMINE THE MOTOR VEHICLE INSURANCE AND SMASH REPAIR SECTOR IN AUSTRALIA

Dear Member

The Victorian Automotive Chamber of Commerce (VACC) welcomes the Morrison Government's announcement that the Treasury Department is to examine whether existing regulatory settings effectively address concerns about **commercial conduct in the motor vehicle insurance and smash repair industry**. 2022-23 is full of hope and opportunity as Treasury embarks on a national review that has been long awaited. This examination is the start of recognising the need for reform, including prescribing a mandated Motor Vehicle Insurance and Repair Industry (MVIRI) Code of Conduct.

A VACC policy priority has been for the Federal Government, who has responsibility over competition issues in Australia, to review the longstanding issues experienced in the motor and insurer industries and address concerns about commercial conduct. An aim of the review is to mandate a **new** national Code. Regulatory reform is required to address the lack of binding dispute resolution processes, interpretation issues with the current voluntary Code and to ensure penalties are applied when the Code is not adhered to.

An enforceable Code provides an important basis of understanding between the parties and their respective rights and obligations, establishing a common ground and bilateral participation across the industry.

This announcement is the culmination of many years of heavy advocacy on behalf of VACC and the MTAA network. It is an historic moment for the smash repair and insurer industry, which will ideally pave the way for fairer engagement between business and insurers.

Below is the media release from Hon Michael Sukkar MP issued today.

THE HON MICHAEL SUKKAR MP
Assistant Treasurer
Minister for Housing
Minister for Homelessness, Social and Community Housing

MEDIA RELEASE

10 April 2022

GOVERNMENT TO EXAMINE MOTOR VEHICLE INSURANCE AND SMASH REPAIR SECTOR

The Morrison Government will task Treasury to examine whether existing regulatory settings effectively address concerns about commercial conduct in the motor vehicle insurance and smash repair industry.

Currently, commercial conduct in the industry is self-regulated by the voluntary *Motor Vehicle Insurance and Repair Industry Code of Conduct*. The voluntary code applies to all smash repairers and insurance companies that become signatories and is currently only mandated in New South Wales.

The Motor Trades Association of Australia (MTAA), its State and Territory member associations and the Australian Motor Body Repairers Association have raised concerns about market power imbalances it believes is causing detriment to smash repair businesses and consumers.

The examination will build on several of the Government's recent investigations into automotive industry markets and resulting regulatory reforms that benefit the automotive sector.

These include the Motor Vehicle Service and Repair Information Sharing Scheme, significant updates to automotive dealership aspects of the Franchising Code of Conduct to strengthen protections for automotive dealers, as well as the recent introduction of legislation to enhance protections against unfair contract terms.

Treasury will provide a report to the Government in the second half of 2022.

Ends

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Please view the MTAA Media Release [here](#)

Please view the Ministerial Media Release [here](#)

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