

Car 'rort' inquiry

CLAIMS that a major insurance company is forcing car repairers to use cheap and possibly unsafe imported parts are being investigated by the Federal Government.

Federal Land Transport Minister Bob Brown warned yesterday that if the allegations were correct, he would not hesitate to take whatever action was necessary to rectify the situation and protect the public.

"The insurance company in question (which Mr Brown may name in Federal Parliament this week) is on notice," he said, "as are those vehicle repairers who have acquiesced to its threats."

Mr Brown said complaints had been made to him that many Australian-made imported components used in the crash repair industry were of questionable quality and possibly unsafe.

These cheap imports, he said, had placed some of the repairers in a difficult position where, if questioned, they had been down over at least one of the points.

But he was still waiting for evidence that the parts were actually faulty or unsafe, he said.

"The repairers claim that at least one very large, well-known motor insurance company is exerting pressure on them to fit the cheap parts - which the insurance company itself apparently is importing - instead of genuine parts produced by the vehicle manufacturer."

"They say the insurance company has made it clear that if they do not use the cheap imports, vehicles repair will be channelled to other businesses," he said.

Mr Brown also alleged that the Australian Parents' Club, the Australian Practice Commission and the Australian Council of Industry and Commerce had also been involved in the matter.

FEDERAL GOVERNMENT INVESTIGATES INSURANCE PARTS RORT

The Federal Government is currently investigating complaints by motor workshops that certain insurance companies are forcing them to use cheap, and possibly unsafe, imported components in vehicle repairs. Vehicle owners have also complained about unsatisfactory repairs.



STOP PRESS

Sydney

accused of car parts

Brown's threat of a major inquiry into the insurance industry has caused a major row between insurers and the major car companies over the price and quality of parts.

Brown said he had received complaints that imported components being used by repairers as body panels, brake linings and headlights were of inferior quality.

He said the insurance industry was apparently importing in bulk - instead of genuine parts produced by the vehicle manufacturer.

Mr Brown said he had received complaints that imported components being used by repairers as body panels, brake linings and headlights were of inferior quality.

Land Transport Minister Bob Brown said that if the claims were true, he would take "whatever action is necessary" to stop the practice and protect the public.

As Panel Plus Members will know, this is the latest episode in a long-running battle between insurers and the major car companies over the price and quality of parts.

Members have complained that imported non-genuine parts such as body panels, brake linings and headlights are of inferior quality, and yet they were being pressurised by certain insurers, who in some instances are also the importer of the parts, to use these parts on their repairs, or else the work would go to other businesses.

As we all know, using non-genuine parts can not only result in shoddy work, it can also severely compromise the vehicle's warranty from the manufacturer.

Insurer accused of car spare parts rort

CANBERRA: A large, well-known insurance company allegedly was forcing motor-vehicle crash repairers to use cheap imported parts that could be unsafe, Federal Land Transport Minister Mr Brown said yesterday.

The Government was investigating the insurance company's claims Mr Brown said.

He said the insurance industry was apparently importing in bulk - instead of genuine parts produced by the vehicle manufacturer.

Mr Brown said he had received complaints that imported components being used by repairers as body panels, brake linings and headlights were of inferior quality.

Mr Brown inspected some of the workshops where this practice was being carried out and said he was convinced that some of the products were of questionable quality. A press release from his ministry appears overleaf.

The proposed Government Inquiry follows the finding of a U.S. Court against a major non-genuine importer. A story about this is also featured in this issue of Genuine Panel.

Reaction to the Government Inquiry has been immediate with one large insurer advertising a new policy direction incorporating 100% genuine parts usage.

Nissan Australia will continue to keep Panel Plus members up to date as this situation develops.