

Geoff Gwilym

Chief Executive Officer, VACC

AS THE VACC TURNED 100 YEARS OLD IN SEPTEMBER, WE CAUGHT UP WITH OUTSPOKEN CHIEF EXECUTIVE, GEOFF GWILYM TO DISCUSS HIS BACKGROUND AND ASCENDENCY INTO THE ROLE, THE CHANGING ROLE OF THE ASSOCIATION AND THE CHALLENGES AND OPPORTUNITIES FACING THE COLLISION REPAIR INDUSTRY.

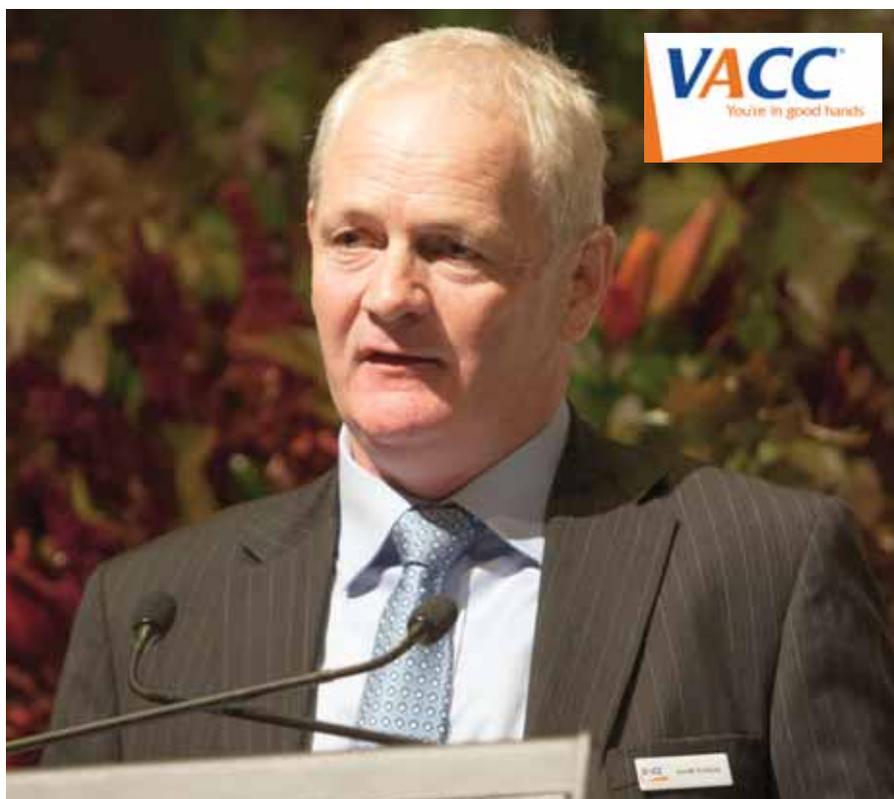
NCR: Would you tell us a bit where you've come from and how you got to be at the VACC?

GG: I started my working life in the automotive industry in Hampshire in the UK as a body maker on commercial vehicles and as a carriage builder with British Rail. Following an initial "working holiday" I emigrated to Australia where I worked on collision repair of buses for Australian Pacific Tours.

I decided to utilise my inherent metal-working and writing skills and made a call to Batman Automotive College of TAFE and took a part time role as a technical trainer whilst formalising my education, which culminated in a Master of Educational Leadership.

I was also exposed to the commercial side of TAFE through a number of secondments in the learning and development field, including three years at Ford. Shortly after that, I spent three years at the VACC running the Learning and Development department, then expanded my horizons by taking a similar role at the Real Estate Institute of Victoria.

In 2006, a job came up with the National Transport and Logistics Skills Council, providing advice to government with a focus on the national training system and the development training standards. During that time, the VACC fought hard to reinstate an automotive skills council and this battle was won in 2011, so I moved across to run Automotive Skills Australia until 2014. The role of the automotive skills council was later picked up by PwC as



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a new model for industry skills advice and was rolled out by the Australian Government. When I heard that David Purchase was leaving the VACC, I threw my hat in the ring and during the process positioned myself as a change agent – I was appointed to the role of VACC CEO in late 2014.

NCR: It must be a great honour to be in the chair during the VACC's centenary year?

GG: To be at the VACC in the centenary year is an absolute privilege. We had a great celebration

in September this year, including a fantastic cavalcade to Bendigo on 22nd September, with a vehicle from every one of those 100 years, from 1918 to 2018. The VACC's first meeting was in the Bendigo legal chambers, but we are now setting the business up for an exciting future. It's magnificent to be part of the journey and to be part of history.

NCR: How do you best sum up the vision and mission of the organisation?

GG: In a word – culture. Not unlike



Nigel Wooster and his 1919 Dodge Roadster.



Graeme Burbidge and his 1931 Austin Swallow.



Russell Stuckey and his 1955 Citroen 2CV.

most trade associations, we are grappling with the fact we were built 100 years ago and with this great history, of which I am genuinely respectful, there are some legacy issues, such as traditional structures and ways of thinking that may not be as contemporary as one would like them to be.

Just being an association is not good enough, and so my vision for the VACC is to be a service-based association that provides direct benefits to members that are valid in today's environment. I see these benefits as being valid at a personal, business and industry level. A new member of the VACC will want to know "what's in it for me?" and our offer must reflect real benefits and real value for money.

In summary, changing culture, changing mindset and being forward looking and contemporary in our view are the things on which we are focused for the future.

NCR: How do you answer the "what's in it for me?" question from a new member?

GG: Although every member is different, a member wants to know what tools we have that they can use in their business. Our "pitch" to new members is this: here is a tangible range of services that will help you run your business. We can do an OH&S audit; we will look at your IR plans; we can give advice on staff training and speak to you about whether you need an apprentice and the sort of

apprentice we can provide. We also have the biggest technical library and information service centre in Australia.

NCR: Are there some businesses out there that are not attractive to the VACC?

GG: Firstly, let me say that some of our best members and some of the biggest workshops in this country came out of sheds with dirt floors and I urge caution to our area managers not to assess new members on where they are, but where they could be. Our job is to take them to where we want them to be in the industry and, in some cases, transforming them into award-winning enterprises.

However, being a federally-registered association under Fair Work Australia, our capacity to NOT take on a member is limited. We don't have as much freedom as many people think - we do need to provide access to the association to a wide and diverse range of industry participants.

NCR: What are the real issues that keep you awake at night?

GG: In the body repair sector, it's the relationship between the insurance industry and the body repair industry. Whilst we have some members who have good relationships and earn a good living and insurance companies have a fair degree of sophistication and professionalism, on a more general level we have a 60-year battle, between insurers and repairers, that continues to this day. We regularly get caught up in differences of opinion between repairers and assessors; we believe a lot of that insurer sophistication is lost

when it gets down into the field - invariably, as we see it, it's our members who come off second best.

Consolidation in the body repair sector, of course, affects our members and, whilst I believe this will continue to some degree, I don't believe we will see a highly consolidated market and I'm sure the insurance industry doesn't want to see this either. It really would shift the balance of power in favour of a small number of large repair shops and I would be surprised if the insurers want that.

Related to this is choice of repairer and I strongly believe insurers should not have a financial interest in repairing vehicles as this vertical integration may well impact real choice. I also believe that the PDS' are not clear enough and that most consumers don't even know if they have choice of repairer or not.

The vast majority of repairers that I speak to just want to repair cars properly and if insurers continue to "chop away" at the price they are prepared to pay, there is only one outcome - that the vehicle will not be repaired to the expectation of the consumer or the expectation of the repairer. The feedback I get is that many repairers feel compromised around the quality of the repair, mainly due to downward pressure on repair costs and also that margins have declined significantly in the past decade. We believe it is grossly unfair that many of our members cannot make a reasonable return on investment in their businesses.



VACC House - opened in 1958.

NCR: I believe you have several strategic initiatives on the radar.

GG: We have addressed the size and complexity of both the board structure and the management structure. We had two boards, an executive board of eight and management board of 32, and the cost of running these boards was huge. However, the proposed changes required a new constitution, which in turn required approval from Fair Work Australia. We now have one governance board of nine and a policy advisory committee; elections for the board are just being completed. This is a much more progressive structure and process than ever before.

I also implemented a staffing restructure in the organisation, beginning with our commercial business, OurAuto. Our Chief Commercial Officer, Paul El Deir, now heads up a national business that provides additional services to the industry and has a client base almost as large as the VACC membership. It really is a great success story as its revenue base will offset the cost of running the association.

We have had massive changes in personnel at both management and staff levels and this process is ongoing. I have made it very clear that as an organisation, change is constant, and every one of the 120 staff know my philosophy, and that is to not be worried by change as “no change” is far more dangerous for an organisation

NCR: And you’ve sold the building?

GG: Yes, we did that for various reasons. We decided to liquidate the asset, which we sold for \$95.3m, which gives us a huge leap forward in terms of our sustainability. This has allowed us to buy a new site at 644 Victoria Street in North Melbourne. We will demolish the existing building and custom-build a new facility, which will also incorporate an apprentice training centre. Our members are frustrated with the level of training in the industry and so we will do it ourselves. I think we will be in that new building within two years.

NCR: What will success look like in, say, five years?

GG: In short: we will be a fully-fledged training provider; we will be in a new facility; OurAuto will be even more successful nationally; we will grow our membership from 5,000 to 6,000. In addition, we will have a growing research centre, a forward-looking contemporary culture and be recognised as the place to come for automotive advice.

NCR: What do you see at the key challenges for the automotive industry?

GG: Consumers will continue to buy over one million cars each year and the biggest challenge will be skilled labour. If we don’t have technicians who can fix cars, the car manufacturers will make cars that don’t need labour to repair them. So, the biggest single issue facing the industry is: how do we attract the technicians of tomorrow bearing in mind that international labour is only part of the solution? The collision repair

sector appears to have an even more difficult task marketing itself as an attractive sector. It’s not the government’s role and it’s not the VACC’s role to make the industry more attractive, it’s the employers’ role – and the onus is on every one of the business owners to play their part. This means creating workplaces where mums and dads are happy for their teenage children to work. Information to local schools is also critical and businesses need to find ways in which to get in front of students in their local schools.

NCR: What are the opportunities for the VACC in the coming years?

GG: Technology and industry segmentation will present huge opportunities and the biggest single growth area in automotive is mobile repairs. One of the reasons for this is the cost of running a workshop, particularly in the CBD. More and more businesses will get pushed further out or get replaced by mobile repairers. It really is structural change, and this will require greater adaptability and new niche businesses to evolve. People need to be less focused on consolidation and more focused on the opportunities through industry segmentation.

NCR: Are these likely to trigger any significant changes in the association?

GG: Of course, and we are really trying to stay ahead of the game. Our own research department knows what’s coming and we know we need to be a serviced-based association that provides services that add value to our members every day. Paul El Deir and I discuss the changing needs of the industry, virtually daily. We are even looking at having international links and providing services internationally. Our constitution allows us to work outside of Victoria and we are even working on establishing a separate business in New Zealand.

NCR: And a closing comment?

GG: We are building a progressive organisation and addressing the challenges head on. I want the VACC to be the best association in Australia and we are all working to achieve and maintain that position. In my initial interview, I said the CEO’s job at VACC was the best job in the world. I still believe this today.