



Stuart Charity

Chief Executive Officer, AAAA

WE INTRODUCE STUART CHARITY, THE DRIVEN, DYNAMIC AND PASSIONATE CEO OF THE AUSTRALIAN AUTOMOTIVE AFTERMARKET ASSOCIATION, AS THE ORGANISATION TAKES A QUANTUM LEAP INTO THE 2020S DURING THE MOST CHALLENGING PERIOD OF HIS CAREER.

NCR: By way of introduction, would you tell us a bit about your background and how you came to be at the AAAA?

SC: My career began when I was accepted to join the Victorian government's graduate program where I worked in the international investment attraction group which, as the name suggests, was created to attract global multinationals to set up in Victoria. This included proposals to support the automotive manufacturing sector, from which I went on to work directly in the automotive group.

In 2001 I was offered a role with the Australian Trade and Investment Commission (Austrade) where I was part of a global automotive team which had automotive-specific Trade Commissioners in Detroit, Tokyo, Frankfurt and Bangkok. We supported Tier 1 suppliers to better integrate into the global supply chains at a time when we were manufacturing circa

350,000 cars per annum.

However, our mantra was that suppliers should not rely on the local industry but should look globally for greater success. I have no doubt this approach subsequently benefitted our component suppliers' ability to survive following the closure of local car manufacturing.

One of the other interesting areas in which I worked was dealing with "multipliers" – essentially industry organisations that were able to reach hundreds of businesses, such as the Society of Automotive Engineers (SAE) and the AAAA.

After three years with Austrade, I was offered a role as Executive Director of SAE, which is more of a professional development association I thoroughly enjoyed with SAE before taking up my current position in 2006. At that time I saw that AAAA presented some good

challenges and was a great fit for my background and experience.

NCR: How would you best describe the structure and function of the organisation?

SC: Fundamentally, our reason for being is to be the representative and advocacy voice of our industry. There are a lot of external factors that can impact the viability and prosperity of the individual companies within our industry, and indeed the entire industry. However, joining an industry association is a bit like taking out an insurance policy in that they're there when you need them.

Irrespective of the size of the organisation, if you lobby government directly there's always the spectre of "commercial interest", whereas the Association advocates on behalf of the industry as a whole, which gets greatest traction. Representing the interests of our industry to government is our key function, whether it's competition matters, access to repair and service information, vehicle standards, support in skills development and working to close the skills gap, as an industry body we are very skilled and present a compelling case.

Structurally, we are a not-for-profit and our members are essentially our shareholders. Every member's vote is equal, irrespective of the size of the business. We have a board of directors and have annual board elections where any member can nominate to become a director. A director's term is three years, so every year we have four directors coming up for re-election, which gives us that strong rotation that is so important for good governance. In addition, we are externally audited.

Our current chairman is Mark Pedder, Director of Pedders Suspension, and our deputy chairman



is Wayne Bryant, Executive General Manager of Repco Australia. However, the board also includes small business owners as well as other senior executives of larger organisations, which best represents our membership.

NCR: And you have recently implemented some notable changes?

SC: We've had a long period of sustained growth and expansion in the services we offer, and it came to a point in the middle of last year where we just had too many balls in the air. The management structure was fairly flat and the activity levels just didn't allow us to get into the more strategic issues.

It was time for an organisational restructure, which in our case meant making two senior appointments: Tiffany Conway, Head of Membership and Marketing and John Braden, Head of Operations and Strategy, join Lesley Yates, Director of Government Relations and Advocacy and Luke Truskinger, Managing Director of the Auto Innovation Centre, creating a five-person leadership team. This team has the right level of intellectual horsepower and senior leadership capabilities to both consolidate the recent expansion and to take the Association to the next level.

Simultaneously, we undertook a complete refresh of our brand, which had essentially remained unchanged for 25 years and created a more contemporary look in line with how we see ourselves. In addition, we relocated our offices to the new Innovation Centre, our state-of-the-art automotive engineering and testing facility.

NCR: As the longest serving CEO in AAAA history, what is it that drives you?

SC: Well, there's certainly been no shortage of challenges over the journey. The organisation's turnover has quadrupled, our reserves have grown by an even greater amount and we've experienced steady growth in membership over that time.

The organisation is by no means the same organisation that I joined 14 years ago, and it's provided the challenges that, as you say, drive me.

However, more than that, what really energises me is that I really love the industry, I admire the people in the industry – what they do and how they do it – but most importantly, I genuinely

believe I'm making a difference to the viability and prosperity of the industry and the membership.

NCR: What does the Association offer a prospective member?

SC: Firstly, the industry advocacy and representation aspect is so important, and we've been extremely effective in this area at both state and federal level. You just never know what issues may arise, and having the AAAA in your corner is invaluable.

We also offer a huge array of business support services in the areas of human resources, industrial relations and commercial legal advice.

Market intelligence is also a key service and we publish regular bulletins to keep our members up to date with trends in key economic indicators, business confidence surveys, consumer insight surveys and, most importantly, trends in the major issues that impact the industry.

We also bring the industry together with networking events and training programs, which we intend to further develop to help bridge the industry skills gap.

Our showcase event, of course, is the Australian Automotive Aftermarket and Collision Repair Expo. We also run Autocare, which is a training and professional development convention, and of course, our market-leading AAAA magazine helps our members reach out across the industry.

One of our more exciting initiatives is that we assist our members to "internationalise" through our trade fair missions to various locations across the world, such as Automechanika and SEMA, just to

name a couple.

In summary, we provide a diverse range of activities for our diverse membership base.

NCR: It's fair to say that you've been fairly vocal in the media over your journey – what are the key issues that keep you awake at night?

SC: There are three big-ticket items and they are somewhat inter-related: vehicle technology, skills gaps, and the power and influence of the car manufacturers, particularly in repair and service.

Technological change is a huge challenge for our industry, and this rate of change is only going to accelerate. As the OEM develops new technology, the smaller independent is left behind, but we believe that every business should be able to compete on their merits.

The new technology also has a flow-on effect to the skills required and potentially widens the skills gap as technicians struggle to keep up. The industry must become better at marketing itself as the new vehicle technology offers tremendous career opportunities to the next generation of technicians. It has never been a more exciting time to join the automotive industry and work with very sophisticated vehicles across all sectors of the industry.

As I say, these are all inter-connected as the new technology creates both the challenges and opportunities.

NCR: And what are you working on at the moment?

SC: I've been very vocal on mandatory data sharing for close to a decade. Following several enquiries and government intervention, we now have an iron-clad commitment from the government to move forward with an



Luke Truskinger, Stuart Charity, Lesley Yates, John Braden and Tiffany Conway.



Act of Parliament. This will require all car companies to share all dealer level information with all repairers on fair and reasonable commercial terms, across both the mechanical and collision sectors.

This is a real win for the independent repairers. However, there is still a whole lot of work to do and structures to put in place to ensure it is workable, particularly in relation to the access, use and protection of information, which will be required to underpin the new legislation.

The other initiatives are around skills gap and training. We have been in discussion with a US organisation called Automotive Service Excellence (ASE), which is a voluntary accreditation program of continuous learning that spans all the automotive trades, all the way up to master level technician.

ASE-certified technicians are widely recognised across the USA, which both enhances their own reputation and that of their employers. ASE is a not-for-profit, is industry supported, and we are looking to licence it here in Australia.

NCR: So, what will the industry look like, in say five years?

SC: I am very optimistic about the future of our industry. In the mechanical space there is a plethora of small, family-owned businesses that have built strong ties to their local community and strong relationships across their client base. Their competitiveness will be further enhanced with the mandatory data-sharing legislation.

The number of vehicles on our roads will continue to grow year-on-year, which augurs well for the automotive aftermarket, and I do believe the relationships with the car manufacturers will improve and there will be greater cooperation and collaboration with the dealer networks.

In fact, one of the objectives of the Auto Innovation Centre is to work more closely with the car manufacturers by accessing pre-release vehicles to allow the aftermarket to produce a range of accessories in time for the launch, which in turn drives sales of the vehicle. This mutually beneficial model already works very effectively in the USA, and we would like to emulate this in the coming years.

NCR: What do you see as the key challenges for the automotive industry and the collision repair sector in particular?

SC: Undoubtedly, it's the perennial issues that we have grappled with for quite some time. The previously-mentioned access to repair information will still be prevalent until the legislation is bedded down.

In the collision repair sector, materials technology presents its own set of challenges, as does the capability to repair and recalibrate ADAS across our highly diverse car parc.

The relationships with insurers will continue to be a tenuous one, particularly as some insurers have equity interests in repair facilities, and at times I feel the independent repairer is caught between a rock and a hard place.

However, none of these issues have an end date. They have all been around for many years and they will all be around for many more years – it's a continuous process to try and stay ahead of the game.

NCR: What about the opportunities in the coming years?

SC: I am the eternal optimist and I believe the future looks bright in the mechanical, collision and aftermarket sectors.

No doubt we will see the emergence of next level autonomous vehicles and the growth and acceptance of HEV and EVs, which only enhances the industry's attractiveness.

The size and expected growth of the market and our Australian ingenuity will enhance our ability to adapt and thrive in the changing environment. However, this will require a commitment from businesses to invest in their equipment,

their technology and in their people.

Finally, there is great support for small businesses, so I encourage them to avail themselves of the various resources at their disposal.

NCR: And on COVID-19?

SC: How the industry recovers depends on several factors, such as how long the pandemic goes for and how long it takes for the economy to fully re-open.

If there is an extended period of depressed consumer demand and restrictions on people's movement, notwithstanding the government's record levels of financial assistance, it may well be that some businesses who were already sailing close to the wind may not recover.

However, if the economy gets up and running sooner, then the impact is likely to be minimal, and although the kilometres-driven was vastly reduced in April, we are already seeing signs of improvement. What we don't need, of course, is a second wave!

NCR: And a closing comment?

SC: I want to reiterate that the reason I have chosen to do what I do is that I love the industry. It is full of hard-working innovative people, in predominately family-owned businesses. We go about our business in a no-nonsense way, we have proven to be highly resilient and consumers value the competition that we bring and the service levels we provide. This is our greatest asset.

The future looks bright for our industry and I have no doubt our growth and profitability will recover. It will be those who have a progressive outlook who will make the most of the opportunities.



The new AAAA head office.