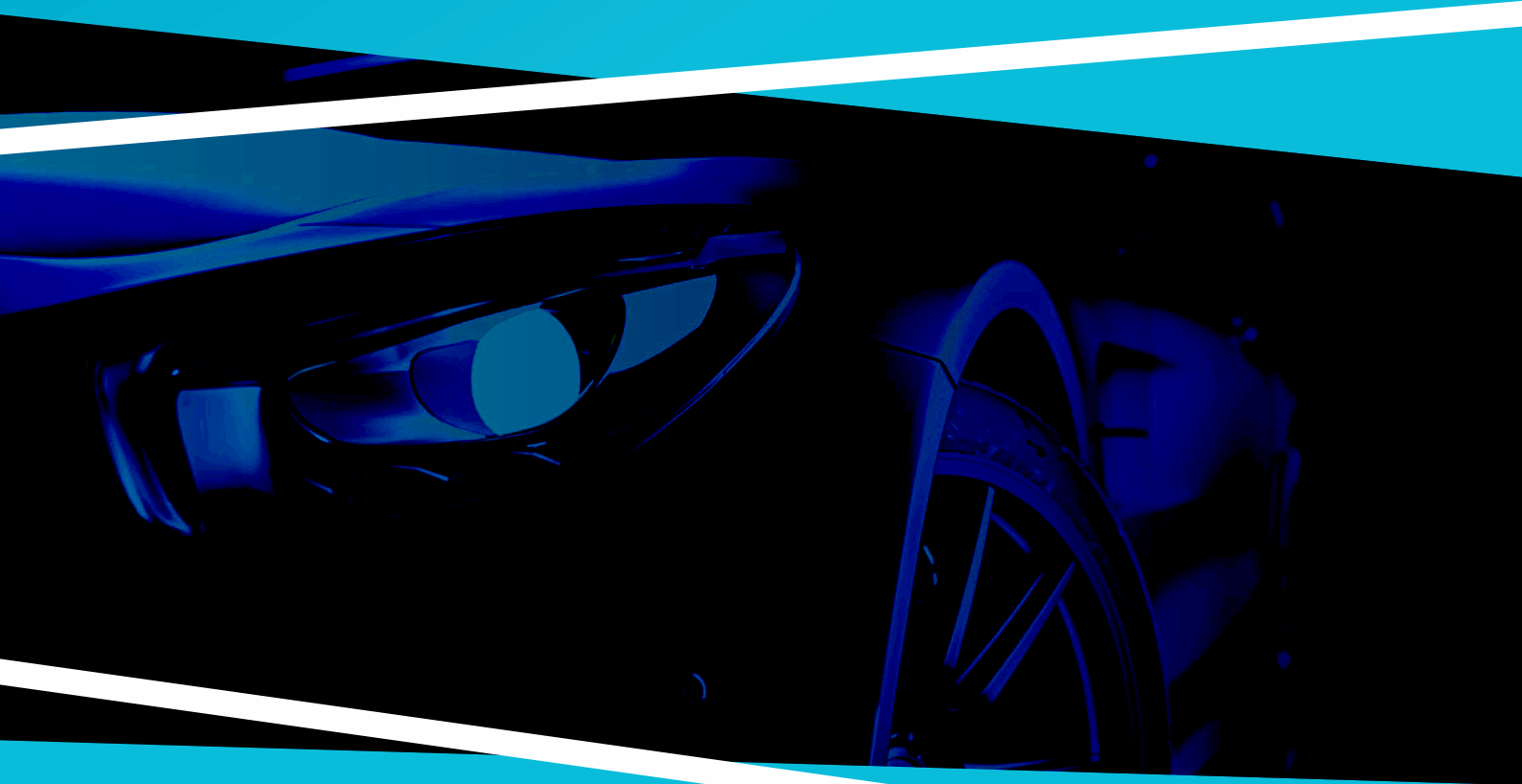


SIMI Annual Report



2019-2020





Published by IFP Media Tel: +353 1 709 6900 Email: info@ifpmedia.com Web: www.ifpmedia.com



Annual Report 2019-2020

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Mission Statement

SIMI is the national representative body for the Motor Industry in Ireland and is dedicated to:

- Driving a business environment that supports Industry growth
- Implementing consistently high standards among members
- Delivering quality information and added-value services to members
- Communicating effectively with members and being the voice of the Motor Industry

A Review of the Year

May 2019



Motor Industry Appoints New SIMI President Gabriel Keane

15th May 2019: Gabriel Keane, Managing Director and owner of Kia Liffey Valley, Dublin was elected President of the Society of the Irish Motor Industry, at the organisation's AGM held in Killashee Hotel, Naas, Co. Kildare.

July 2019

192 Registration begins: SIMI highlights danger of imposing higher taxes on Motorists



August 2019

SIMI calls on Government to address the issue of older UK Imports

Alan Cantwell interviews Economist Jim Power, author of the SIMI Motor Industry Review Q2 2019.



<https://youtu.be/PMjjn9ysnRc>

September 2019

WOMEN@SIMI: Grab opportunities with both hands



Pictured are: SIMI President Gabriel Keane; guest speaker Alison Comyn, award-winning TV and broadcast journalist and expert in effective communications; guest speaker Breege O'Donoghue, former Primark Board Member and Group Director, a pioneer of the retail world and champion of women in Business; and Mary Kennedy, Master of Ceremonies.

Motor Industry in most vulnerable place since 2008; thousands of jobs at risk



SIMI held a press conference, with many of Ireland's leading Car Manufacturers in attendance on 17th September 2019. The conference highlighted the stark challenges facing the Irish Motor Industry in the face of both Brexit and Budget 2020. SIMI Director General Brian Cooke underlined the importance of no increases in VRT on new cars in the upcoming Budget.

SIMI Pre Budget Briefing 2019

SIMI held three separate pre-budget briefings at Buswells Hotel, Dublin 2.

<https://youtu.be/zzsQm0uaEuQ>



October 2019

Budget 2020 gives Motor Industry breathing space

BUDGET 2020 AND THE MOTOR INDUSTRY

- Budget 2020 contained a number of measures specific to motoring:
- No changes to CO₂ element of VRT in 2020. VRT will continue to be based on NEDC for 2020.
 - Replacement of 19% diesel surcharge with a nitrogen oxide (NOx) emissions-based charge. This surcharge will apply to all passenger cars registered for the first time in the State from January 1, 2020.
 - Extension of the Benefit-in-Kind zero rate on electric vehicles to 2022.
 - Extension of VRT reliefs for conventional and plug-in hybrids to 2020, subject to CO₂ thresholds.
 - Provision of additional relief through the Diesel Rebate Scheme to hauliers to compensate for the increased cost of fuel.
 - An increase in the carbon levy on motor fuels of €6, adding €2 for a tank full of either petrol or diesel. This will increase the cost of doing business in Ireland.
 - Introduction of an environmental rationale for Benefit in Kind for commercial vehicles from 2022.
 - Reduce qualifying CO₂ thresholds for reliefs in respect of Capital Allowances and VAT reclaim on commercial vehicles.

Commenting on the Budget, SIMI Director General Brian Cooke said: "In the context of both an already-depressed New Car market and the likely impact of Brexit, there is a real fear that Car sales will further deteriorate, slowing down the process of renewal of Ireland's car fleet; a transition that is vital in our attempt to drive down emissions. In this regard, SIMI is relieved that the Minister has not increased VRT for New Cars

in Budget 2020." He continued: "The replacement of the 19% diesel surcharge introduced last year on new cars with a NOx emissions-based charge to all passenger cars registered for the first time in the State from January 1, 2020 is a welcome announcement. The NOx charge will impact on older, higher-emitting cars which, unlike last year's diesel surcharge, will penalise older cars with higher levels of pollutants. The Minister has recognised that newer vehicle technology is cleaner and better for the fleet. "In addition, the extension of the BIK relief for electric vehicles out to 2022 will incentivise the choice of electric cars for companies for the duration of the normal three-year replacement cycle. This Budget does allow the Industry some breathing space in what is likely to be a challenging 2020. It is now important that the Industry and Government work closely together in relation to VRT into the future and the drive towards zero-emissions."



Brian Cooke, Director General, SIMI

November 2019

SIMI National Conference sponsored by AIB



SIMI VTN Conference/AGM

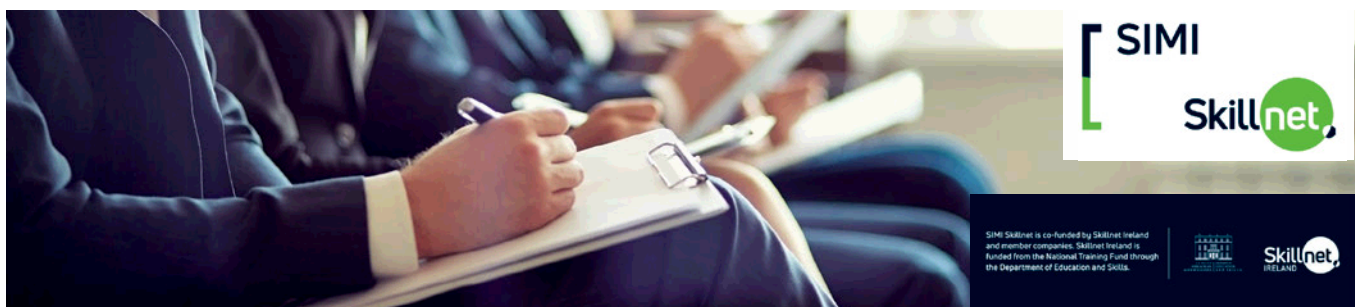


Sean Breathnach,
Acting Head
of Contract
Management, RSA.

The SIMI National Conference sponsored by AIB took place on Tuesday, 12th November in Killashee Hotel, Naas, Co Kildare.

December 2019

SIMI announce that Skillnet Ireland have approved SIMI for an increased level of funding from 2020 to 2022, this will enable SIMI to continue to develop and offer members bespoke Motor Industry training at a reduced cost in the coming years.



January 2020

201

Disappointing January for new car sales but significant improvement in emissions



February 2020

Irish Motor Industry Awards highlight exceptional businesses

The SIMI Irish Motor Industry Awards, in partnership with sponsor Bank of Ireland Finance, took place at the Clayton Hotel in Dublin on 20th February.



Meath Apprenticeship Expo

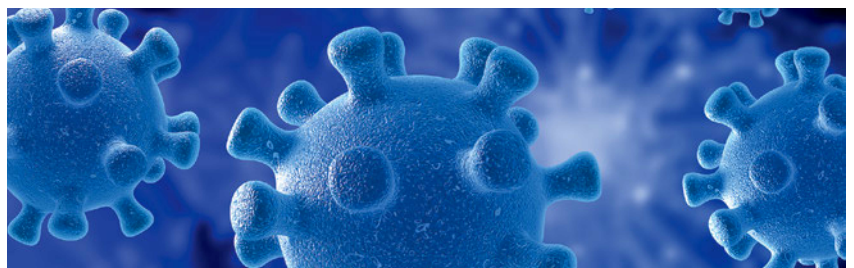
SIMI's Teresa O'Neill and Colin Walsh were present at the Meath Apprenticeship Expo held on 25th February. The event provided an ideal opportunity to meet with employers, explore career options and get a feel for the types of apprenticeship, traineeship and graduate programmes operating in businesses across County Meath.



March/April 2020

COVID-19

27th March 2020: Irish Government announce nationwide lockdown to stop the spread of COVID-19.



May 2020

Return to work

SIMI welcomes the Taoiseach's announcement that the Government has decided to re-open car showrooms for sales, service and repair, as part of Phase 1 in the Government's Roadmap for Re-Opening the Economy.



Membership Services



SIMI provides a wide variety of business services and cost-saving schemes to members.

Services to members:

- Information and advice on VAT, VRT and other Motor Industry taxation issues
- Advice on all issues in relation to staff management, recruitment, disciplinary procedures, employee handbooks, safety statements
- Legal advice on issues in relation to the handling and resolving of customer complaints
- Vehicle invoice order form books for retail and trade sales
- Vehicle statistical service
- Regular communication online, by email, e-news, bi-monthly magazine and through our website and our members' portal on issues affecting the Motor Industry
- National and local seminars and conferences which also give you the opportunity to network with other Industry professionals
- Industry-specific training courses

Cost Savings:

- Motor Trade Group Insurance Programme
- Group Credit Card/Merchant Services Scheme
- BeepBeep.ie which also includes the Car History Check programme

SIMI Representing You:

- Access to Government through the Society to voice the opinions of the Industry
- Representing the different sectoral interests through dedicated committees
- Lobbying on behalf of the Industry to create a better economic and legislative climate for Member businesses

SIMI Management Board



Gabriel Keane
President



Gillian Fanning
Deputy President



Antonia Hendron
Honorary Treasurer



Gerard O'Farrell
Immediate Past President



Gavin Hydes
Franchise Committee
& Past President



Paddy Magee
Chairman Importers'/
Distributors'
Committee



Noel Doran
Chairman, Independent
Retailers' (Service)
Committee



Liam Denning
Chairman, VBRS
Committee



James Hennessy
Chairman, Independent
Retailers' (Sales)
Committee



Mark Boggan
Franchise Committee



Mark Teevan
Importers'/
Distributors'
Committee



Mark Woods
Petrol/Oil Companies'
Sector



Brian Cooke
Director General

SIMI National Executive Council 2019-2020

HONORARY OFFICERS

PRESIDENT

Gabriel Keane
Kia Liffey Valley
Gabriel Keane Motors
Limited
Liffey Valley
Dublin 22

DEPUTY PRESIDENT

Gillian Fanning
Serfac Limited
Hilary House
Belgard Road
Tallaght
Dublin 24

IMMEDIATE PAST PRESIDENT SIMI

Gerard O' Farrell
Jaguar Land Rover Ireland
JLR House
Arena Road
Sandyford Business Park
Dublin 18

HONORARY TREASURER

Antonia Hendron
M50 Truck & Van Centre
Northern Cross Business
Park
North Road
Dublin 11

VEHICLE IMPORTERS'/DISTRIBUTORS' SECTION

CHAIRMAN VEHICLE IMPORTERS'/ DISTRIBUTORS' COMMITTEE

Patrick McGee
Renault Group Ireland
Block 4 Dundrum Town
Centre
Sandyford Road, Dundrum
Dublin 16

Steve Tormey/Mark Teevan

Toyota Ireland
Toyota House
Killeen Road
Dublin 12

Robert Frame
BMW Group Ireland
Swift Square
Santry Demesne
Dublin 9

Ciáran McMahon
Henry Ford & Son Ltd
Elm Court
Boreenmanna Road
Cork

Stephen Gleeson
Hyundai Cars Ireland
Hyundai House
John F Kennedy Drive
Naas Rd
Dublin 12

James Brooks
Past President SIMI
Opel Ireland
Gowan House
Naas Road, Dublin 12

James McCarthy
Nissan Ireland
Cedar House
Park West Business Park
Nangor Road, Dublin 12

Tom Fleming
Volkswagen Group Ireland
Ltd
Block C Liffey Valley Office
Campus
Liffey Valley, Dublin 22

David Thomas
Volvo Cars Ireland
Killakee House
The Square
Tallaght
Dublin 24

Ciaran Kinahan/Siobhan Shaw
Motor Distributors Ltd
Naas Road
Dublin 12

Des Cannon
Gowan Distributors
Gowan House
Naas Rd,
Dublin 12

WHOLESALE'S SECTION

CHAIRPERSON WHOLESALE'S COMMITTEE

Gillian Fanning
Serfac Limited
Hilary House
Belgard Road,
Dublin 24

Alan Greene
Origo
Magna Drive, Magna
Business Park, Citywest
Dublin 24

Alan Lyons
Auto Diesel Electric
Dartmouth Industrial Centre
Kylemore Road, Dublin 12

Louis O'Hanlon
National Autoparts
Camac Close, Emmet Rd
Inchicore, Dublin 8

Hugh Brady
Tech Plus Ltd
Unit E9, South City Business
Park
Tallaght, Dublin 24

Niall Murray
Tractamotors Ltd
Dublin Road
Cavan
Co Cavan

Seamus Moore
Somora Motor Parts Limited
Unit 32 Lavery Avenue
Park West Industrial Park
Nangor Road
Dublin 12

Tom Dennigan
Continental Tyre Group
Limited
Clyde Lodge
15 Clyde Road, Dublin 4

Terry Knox
CD Group Ireland Ltd
31 B-E Rosemount Park
Drive, Ballycoolin Road,
Dublin 11

Alan Gaynor
J & S Automotive
Distributors
Unit 17 Park West Road
Park West, Dublin 12

RETAILERS' SECTION

CHAIRMAN INDEPENDENT RETAILERS' (SERVICE) COMMITTEE

Noel Doran
Robertstown Motors
Ashbourne, Co Meath

CHAIRMAN INDEPENDENT RETAILERS' (SALES) COMMITTEE

James Hennessy
James Hennessy Motors
Stillorgan Road
Mount Merrion, Co Dublin

CARLOW

Rowena Dooley
Dooley Motors Ltd
Sleaty Roundabout, Carlow

Michael Howard
High Precision Motors
Products Ltd
Dublin Road
Tullow, Co Carlow

CAVAN

Cathal O'Reilly
Auto Tech Bodyshop Ltd
Unit 1 Poles Business Park
Poles, Co Cavan

Tómas Brady
Brady's Cavan
Dublin Road
Cavan, Co Cavan

CORK

Gerard O'Sullivan
Ardfallen Motor Care
Ballycurreen Industrial Estate
Kinsale Road, Co Cork
Martin Condon
Cavanagh's of Charleville
Limerick Road
Charleville, Co Cork

DUBLIN**Ken Carey**

Carroll & Kinsella Motors Ltd
Rock Road
Blackrock, Co. Dublin

Jonathan Driver

Circle K Ireland
Beech Hill Office Campus
Clonskeagh, Dublin 4

Gerry Caffrey

Gerry Caffrey Motors Ltd
106/112 Terenure Rd. North
Dublin 6W

Jonathan Meade

Hutton & Meade
Unit 600
Northwest Business Park
Ballycoolin
Blanchardstown, Dublin 15

Michael Grant

Michael Grant Renault
Beech Road
Sandy Mount, Dublin 4

Tom Murphy

Murphy & Gunn Ltd
Rathgar Ave
Rathgar, Dublin 6

Andrew Dempsey

Naas Road Autos
Frank Fahy Centre
Nass Road, Dublin 12

Loughlin Murphy

Toyota Sandyford
40 Heather Road
Sandyford Industrial Estate
Dublin 18

Daniel Sheerin

Kingstown Motors
Lower Kilmacud Road
Stillorgan, Co Dublin

Joe Clarke

Westbrook Motors
23/24 Parkgate Street
Dublin 8

DONEGAL**Lawrence Harrigan**

Highland Motors
Mountain Top
Letterkenny, Co Donegal

KILDARE**Hugh Pitt**

Sheehy Motors Naas
Newbridge Road
Naas, Co Kildare

GALWAY**James McCormack**

Western Motors
Ballybrit, Galway

Tony Burke

Tony Burke Motors
Ballybrit, Galway

LAOIS/OFFALY**Clive Adams**

John Adams Car Sales
Ballymacken
Portlaoise, Co Laois

Gay Lawton

Lawton & Foley Motors
Dublin Road
Edenderry, Co Offaly

LONGFORD/WESTMEATH**Frank Kane**

Longford Motors
Strokestown Road
Longford

LOUTH**Noel Stewart/ Donal Waters**

Blackstone Motors
New Grange Business Park
Donore Road
Drogheda
Co Louth

MEATH**Marie Proudfoot**

Nobber Motors
Nobber, Co Meath

Mr Jim Quinn

Quinn Crash Repairs Ltd
Bellinter
Navan
Co Meath

MONAGHAN**Peter Marron**

Marron's Garage
Monaghan Road
Castleblaney, Co Monaghan

MAYO**Kevin Connolly**

Kevin Connolly Car Sales
Dublin Road
Ballina, Co Mayo

ROSCOMMON**Tom Raftery**

Motorpark Athone
Monksland
Athlone, Co Roscommon

SLIGO**Kevin Egan**

Kevin Egan Cars Ltd
Carroroe, Sligo

TIPPERARY**Gerry Pierse**

Pierse Motors Ltd
Limerick Road,
Tipperary Town

WEXFORD**Mark Boggan**

Hugh Boggan Motors
Carriglawan
Newtown Road
Co Wexford

VEHICLE BODY REPAIRERS' SECTION**CHAIRMAN VBRS COMMITTEE****Liam Denning**

Dennings Cars
Bellavista
Spawell, Tallaght, Dublin 24

Jamie Lawlor

Jamie Lawlor Crash Repairs
Unit 3a Ard Gaoithe
Business Park
Clonmel
Co Tipperary

CHAIRMAN HGV DISTRIBUTORS' COMMITTEE**Bruce Archer**

DAF Distributors
Baldonnell Business Park
Dublin 22

SPECIALIST TRADE REPAIRERS' SECTION**Paschal Quinn**

Galway Windscreen Centre
Liosban Industrial Estate
Tuam Road
Galway

Adrian O'Dwyer

AAA Mobile Windscreens
Unit W1A Togher Business
Park
Newhall, Naas
Co Kildare

PETROL/OIL COMPANIES' SECTION**Mark Woods**

Maxol Limited
3 Custom House Plaza
IFSC
Dublin 1

Gordon Lawlor

Topaz Energy
Topaz House
Beech Hill
Clonskeagh
Dublin 4

VEHICLE RECOVERY OPERATORS' SECTION**Derek Beahan**

Derek Beahan Ltd
Rear 90-98 Emmet Road
Inchicore
Dublin 8

Jim O' Sullivan

J&S Motor Repair/ Meath
Recovery
Navan
Co. Meath

VEHICLE TESTERS' SECTION**William O'Brien**

William O'Brien Motors
Unit G1, Croke Park

Industrial Estate

Portland Street, Dublin 1

CO-OPTED MEMBERS**Sue O'Neill, ITIA**

Paddy Murphy,
Advance Tyre
Michael Fennell,
IMI, Irish Region

Paul McCarthy, IFHA

Paul Redmond, CRCI
John Wallace, VLA
Jerry Kiersey,
Green Tiger Express

TRUSTEES**Tom Noonan****Gaetano Forte****Tom Murphy**

RETAILERS – CENTRE CHAIRMEN

CORK

Bob Clarke
Bandon Motors
Clonakilty
Co Cork

GALWAY

Tony Barbour
Higgins Motorpark
Motorpark
Headford Road
Galway

KERRY

David Randles
Manor West Reail Park
Tralee
Co Kerry

KILKENNY

Kevin Morrissey
Kevin Morrissey Motors
Smithlands Retail Park
Waterford Road
Co Kilkenny

LIMERICK

Noel Kearney
Singland Motors
Dublin Road
Castletroy, Co Limerick

Frank Hogan

Frank Hogan Ltd
Dublin Road, Limerick

LOUTH

Nicky Smith
Smiths of Drogheda
North Road
Drogheda, Co Louth

WESTMEATH/ LONGFORD

Ed Tyrrell
Grange Motors (Mullingar)
Ltd
Lough Sheever Corporate
Park
Mullingar, Co Westmeath

MEATH

John Malone
Malones Garage
Whistlemount
Kells Road
Navan
Co Meath

OFFALY

Keith Colton
Colton Motors
Clara Road
Tullamore, Co Offaly

TIPPERARY

Eugene Ryan
Donal Ryan Motor Group
Limerick Road
Nenagh
Co Tipperary

WATERFORD

David Dickenson
Waterford Motor Village
Waterford Business Park
Cork Road
Waterford

President's Report



At the start of my presidential year, our Industry faced several challenges Brexit, political and economic uncertainty, the possibility of a significant increase in VRT, changes to environmental policies, the recruitment of staff and other everyday business issues. No one could have foreseen the arrival of this global pandemic Coronavirus—COVID 19.

This virus is impacting on our health, daily lives, our businesses and economy in a way that we have never experienced before and the effects of which will be felt for a long time to come. The biggest consequence of COVID-19 is the loss of life both at home and worldwide. My condolences to the families and friends of those who have lost their loved ones to this virus.

The means by which we conduct business has been turned upside down and perhaps forever changed. Many people are adopting to working from home where possible and are finding new ways of communicating from virtual meetings to virtual showrooms. On the 27th of March businesses closed their doors, on foot of the Irish Government's recommendation, in order to help slow down the spread of COVID-19 by staying at home and social distancing in an effort to save lives. Like many other Industries, the Motor Industry (with the exception of those members who are playing a key role is supporting essential and emergency services during this crisis) closed their premises.

COVID-19 is having a devastating impact. SIMI is continuing to work tirelessly to support members during this COVID-19 pandemic through expert advice and services it provides and also by engaging daily with Government Departments and other relevant State bodies. Our focus was on returning to work, as soon as it is permitted from this crisis. Thankfully through the lobbying efforts of SIMI, the sale and supply of motor vehicles has been included as part of Phase 1 of the Governments Roadmap for Re-Opening the Economy as of the 18th of May. Our Industry was the only sector to move up to the first phase of the Roadmap and this is a significant step. By allowing our showrooms to open we now have a good opportunity to move used vehicles and create a new car market for July. It is essential that our members continue to operate, while minimising unnecessary health risks. SIMI has issued Industry specific guidelines to assist members in opening their businesses. Members will have to ensure that they follow the recommendations of the HSE and Government, put in place COVID-19 controls to ensure that they continue to protect themselves, their employees and customers.

Last year the Society's major objectives for 2019 included ensuring that the Government's 2020 Budget did not damage our industry. In particular, we put focus on no increases in Vehicle Registration Tax and actions to limit the importation of older dirtier used cars.

With the efforts of SIMI, helped in no small way by the input and support of many SIMI members throughout the country, these objectives were achieved. 2021 is now on the horizon, as is the 2021 Government budget. There is

even more uncertainty and heightened business risk this year given the current political situation and throwing a global pandemic into the mix.

The new WLTP bands come in on January 1st next. No more delay. Incentives continue to be absolutely essential for growth in sales of Electric and Plugin Hybrid Vehicles. While more action is required to stem the flood of older UK imports. We will have a new government delivering our next budget. So, we must be ready. The move to WLTP will have to be supportive of industry. We will be seeking a reduction in VRT to increase demand for new cars, to support our businesses and the 45,000 people we employ. SIMI will inform Government of the impacts of COVID-19 on our businesses. New car sales are currently at recession levels. Increasing the VRT burden will only add to our problems, and perhaps delay the day we return to sustainable business levels. We have already seen a halt to new car sales this year and while we hope for some recovery for the second registration plate it is difficult to know how the market will perform. Our retailer members are best placed to introduce social distancing in their premises however consumer confidence is another hurdle we must overcome. As we have seen in the past car sales can be slow to recover and therefore going forward, we will require strong support for business on many fronts and for a prolonged period.

The government's focus for the 2021 budget will be to keep the economy moving so we can overcome this pandemic, revenue raising, the environment, housing and medical care. We need to ensure that these objectives dovetail with our industry's goal of renewing the national car fleet and supporting our Industry. Vehicles now more than ever have played an important role over the last few months. Different sectors will recover at different speeds. SIMI members are ready now to contribute to Ireland's economic recovery, but we need the Government to support us. Our Industry and in particular the motorist cannot become a scapegoat as a source of revenue. Reduced taxation will lead to increases in new cars, generating more Exchequer Revenue and reduce emissions. The Industry needs to be united in its approach, delivering a consistent message. Once again, we all need to get proactive in our lobby activities at local level to support SIMI in ensuring that the 2021 budget is favourable to our industry.

Gabriel Keane

Gabriel Keane
President, SIMI

Director General's Report



The 12 months since the last Annual Report have certainly been interesting. Despite a strong economy, we have experienced a falling car market, Brexit and the increasing impact of used imports. Add into the mix the further challenges of the Climate Action Plan, WLTP and a new NOx tax. On a positive note our VTN members received confirmation that they would retain the right to test commercial vehicles until 2034. In any year these would all be very challenging issues in their own right. However, they have been usurped by a virus that we hadn't heard of until a few months ago, COVID-19, one which has had a devastating impact on the health and mental well-being of the nation and one which has inflicted severe damage on the Irish economy and on the Motor Industry. This impact, which has been immediate, will clearly dominate economic and social life for next 12 months and beyond.

The car market in 2019 continued to be dominated by Brexit, with used car imports for the second year running exceeding 100,000, resulting in new car registrations continuing to fall back, finishing on 117,109, a 7% reduction on the previous year and a 20% decrease when compared to the last "pre-Brexit" year of 2016. Unfortunately, new car sales fell further in the first 2 months of 2020, by a further 7% before collapsing entirely once the COVID-19 lockdown happened. New Light commercial vehicle sales in 2019 were in line with 2018, while Heavy Good Vehicles showed a small increase on the previous year. Clearly the short-term outlook is not optimistic; even with the re-opening of showrooms and the July 202 registration plate. New car sales will fall to recession levels and while we should see some recovery next year, the economic impact of COVID-19 on consumer spending will see new car and commercial vehicle sales at dangerously low numbers in 2021. In that context it will be important that Budget 2021 supports our sector, particularly in relation to the impact of WLTP testing on VRT. Any changes should focus on encouraging consumers to trade up to a new or newer more environmentally friendly car, which for most people will continue to be an Internal Combustion Engine (ICE) car.

In addition to Brexit, there were two policy related events that focused the Industry's minds in 2019, the Climate Action Plan and Budget 2020. The Government's Climate Action Plan was rushed out last summer. The Plan was hugely ambitious in relation to targets for transport, but contained little detail as to how these targets had been calculated and how they might be achieved. The 2030 combined EV and PHEV target of close to one million vehicles, completely ignores the benefits of the significant ongoing reductions in emissions from ICE cars and caused significant confusion among customers. This is already leading to motorists deferring the purchase of new cars, which is actually going to make reductions in emissions even more difficult to achieve. Incredibly, this plan was followed up by a Budget that eliminated the EV grant for businesses thus undermining the EV project before it can gain real traction. Not surprisingly, even before COVID-19 hit us, company EV car sales were down for the year, while consumer EV purchases, which still benefit from the grant, increased. The Motor Industry is committed to making big savings in emissions from new cars over the next decade, but to optimise the benefit from these advances the most important issue will be renewing Ireland's car fleet with new petrol, diesel, hybrid, electric and hydrogen vehicles as well as electric cars and vans.

The SIMI's Budget 2020 campaign, which was bolstered by support from Franchise Dealers at a local level proved successful, aided no doubt by a clear unified message from the Industry. The Budget saw the removal of the 1% diesel VRT surcharge. SIMI had predicted in October 2018, this surcharge would be counterproductive and act as a barrier to the sale of new cars, which only damages both the Exchequer and the Environment. It was replaced by a NOx surcharge, focusing on older imports which are far more damaging to air quality than new our newer Euro 6 cars. In addition, the possible move to WLTP, which would have increased VRT on new cars, has been deferred until next year. Hopefully this will give time and space to implement improvements to the VRT system, that will encourage consumers to trade up to a new Irish sourced car, instead of holding onto their older smokier less fuel-efficient cars or looking to the UK for a pre-Euro-6 import.

For commercial vehicle tester (VTN) members, 2019 saw the review of the CVRT system by the Road Safety Authority (RSA), with a view to making a decision on the future of commercial vehicle testing from the end of

the current authorisations in 2024. The timing of this review allows VTN members make their own longer-term investment decisions and gives them some business certainty. The RSA presented their findings at the VTN AGM & Conference in Naas in November, where they confirmed that the current system will continue for the 2024-2034 period, albeit with some improvements to the current system, which will require some investment. The VTN members also stepped up to the plate in 2020, when the lift problems arose with the NCT service, and were able to undertake that part of the NCT test requiring lifts, and allowed some customers avail of a fully completed car test.

For independent retailers, unfair and unregulated shadow economy operators, are continuing to hamper the sector. This anger has heightened during the COVID-19 crisis, as legitimate responsible retailers closed, while the shadow economy continued to operate. Access to repair and maintenance information continues to be a key issue not just locally but also at a European level. Like many other sectors of membership, the attraction and retention of technicians continues to be a challenge. Similarly, for Parts Wholesalers access to vehicle repair and maintenance information (RMI) is of vital importance, and the SIMI Wholesalers support FIGIFEAs efforts in this regard.

The Vehicle Body Repair Specialists (VBRS) sector has struggled to source apprentices and technicians in recent years, although there has been an improvement in apprenticeship numbers this year. New and more complex technologies in new vehicles mean more complex body repairs and the training of new apprentices and upskilling of bodyshop technicians will be important in this regard. The Vehicle Recovery Operator (VRO) Sector had hoped to hold its Annual Conference in April, but this had to be cancelled due to COVID-19. Key issues for VRO members include rogue operators who do not comply with health and safety standards and the high costs of insurance for their sector.

The last few months have been of course dominated by the COVID-19 crisis. SIMI has engaged with members, with HR, Revenue, Health and Safety Advice among the areas of support. In addition, we also issued Industry specific operating guidelines to assist members in returning to business, and to protect the safety of customers and employees. During this time, SIMI members have played an important role during the lockdown in supporting emergency and essential services. As we go to press, the Government has announced that the sale and servicing of cars and commercial vehicles can re-commence in Phase 1 of the Roadmap for easing COVID-19 restrictions. The addition of vehicle sales to the list of activities is the only addition to Phase 1 from the original Plan. This is a reflection of the professionalism of the Industry and commitment to health and safety of motor retailers. SIMI members can be rightly proud of their efforts to date during the pandemic. In getting this over the line, SIMI not only had the support of members but also received guidance from Departments of Enterprise, Transport, European Affairs, Finance and State Agencies such as the Road Safety Authority, National Standards Authority of Ireland and Health and Safety Authority. This collaborative approach has yielded a positive result for both the Industry and the State, Hopefully this type of collaboration can be used as a template for engagement in other policy areas, including taxation and the environment.

In signing off, we still have a long way to go to exit the COVID-19 crisis. While we can now start to look forward, it will take time for business to return to normal sustainable activity levels. In the meantime, I hope you and your colleagues stay safe.

Brian Cooke

Brian Cooke
Director General, SIMI

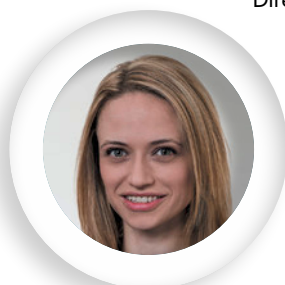
SIMI Executives



Brian Cooke
Director General



Tom Cullen
Deputy Director General



Emma Mitchell
Operations Director & Company Secretary



Teresa Noone
Communications Director



Charlie Rogers
Director, Commercial Vehicle Sector & VTN



Margaret O'Shea
HR & Training Manager



Maeve Dowdall
Office Manager & Events



Yvonne Sliney
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Seamus McCormack
Membership Services' Manager



Jane O'Sullivan
Communications & Events Executive



Teresa O'Neill
Human Resources Officer



Colin Walsh
Industrial Relations & Compliance Manager



Sabrina Forsyth
Research & Information Executive



Roisin Tuohy
Customer Service Officer



Daniel Cleary
Administration

Membership by Numbers in 2020



Please note the membership numbers do not reflect that a company could operate in more than one sector.

TOTAL: 1,202



SIMI Training



MARGARET O'SHEA
HR & TRAINING MANAGER

For the past number of years SIMI has been successful in securing funding from Skillnet Ireland to support and subsidise training courses for SIMI members.

Skillnet Ireland is an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and is funded through the Department of Education and Skills. A key advantage of the Skillnets programme is that it actively supports the development of courses that are directly aligned to Member companies' needs and strategies. The grant that SIMI received from Skillnet Ireland enables SIMI Skillnet to offer a range of training and development programmes to members at a significantly reduced cost.

SIMI members are actively encouraged to become directly involved in the identification and development of training needs and skills requirements that will improve the competitiveness of their particular sectors and businesses. A Training Needs Analysis Survey aimed at identifying members' current and future training needs is circulated each year. The benefit of reviewing the survey results each year is that the SIMI Skillnet Steering Group have an insight into the changing training needs of our industry and this helps them to plan training for the year ahead. Through individual Sector Committees members may also put forward proposals for programmes specific to their area of business. The SIMI Skillnet Steering Group, made up of members from a number of different sectors within the industry meets on a regular basis during the year to oversee the efficient operation and delivery of the SIMI Skillnet programme.

In 2019, SIMI Skillnet ran training courses such as Technical Up-skilling courses including several on Hybrid and Electrical Vehicle Systems, Customer Service Training, Vehicle Sales Training, Aftersales Training for Workshop and Service Department, Customer Service and Profitability Workshops.

With the benefit of funding from Skillnet Ireland, SIMI also ran a second Management Development Programme – Automotive Retail Management. The programme was very well received, and a third programme is planned for 2020.

In addition to the training delivered as part of the SIMI Skillnet programme, SIMI also provides members with a number of courses dealing with essential Motor Industry topics such as VAT and VRT, and continues to offer SIMI Consumer Credit CPD training modules tailored specifically for the retail Motor Industry that meet the Minimum Competency requirements of the Central Bank for formal CPD training hours.

In light of the impact of COVID-19, SIMI has begun to develop online learning and webinar options to replace, where appropriate, classroom-based training programmes.

Technical Upskilling Training courses



Vehicle Sales Training



Management Development Training



SIMI Skillnet is co-funded by Skillnet Ireland and member companies. Skillnet Ireland is funded from the National Training Fund through the Department of Education and Skills.



Consumer Complaints Service

The SIMI Consumer Complaints Service is a free service offered to members and their customers with the objective of resolving complaints without recourse to expensive and time-consuming legal proceedings. The terms and conditions of the SIMI Order Form advises customers to refer their complaints to the SIMI if the matter cannot be resolved directly with the garage, provided the complaint falls within the scope of the consumer complaints service.

While the primary purpose of the Consumer Complaints Service is to help Member companies resolve customer complaints, it also represents for members a comparative measurement of customer service.

In total, 560 formal complaints were received by the Society in 2019 which represented a 24% increase on the 2018 figures of 429, which at the time was a 16% increase on the previous year. Of the 560 complaints, 31% were outside the scope of the service compared to 26% in 2018. The increase in volume could be attributed to greater word of mouth regarding the service through the CCPC etc. Of these outside scope complaints, 52% related to new vehicle warranties, 17% were related to non-member garages or lapsed members, and 19% related to time frame outside the scope. Commercial vehicles made up 10%, and the remaining 2% were miscellaneous (the complainant not actually being a customer of the garage concerned, for example).



ROISIN TUOHY
CUSTOMER SERVICE
OFFICER

The amount of complaints formally registered saw an 18% increase with a total of 385 compared to 315 in 2018.

Of complaints registered, 61% were resolved through the initial mediation process compared to 68% in 2018. The average length of time to bring a complaint to a resolution was 52 days in comparison to 40 days the previous year. This could be attributed to staffing changes and the higher volume of complaints. In all, 10% of complaints were closed due to no engagement from the customer following the initial complaint.

In 2019, 29% of complaints were resolved through the Standards Tribunal compared to 27% in 2018.

The type of complaints registered are summarised as follows:

- 75% related to the condition of the vehicles sold (mechanical and electrical defects), repaired or serviced. This compares to 65% recorded in 2018.
- 16% related to alleged misrepresentation of pricing, documentation, finance, etc. This compares to 21% recorded in 2018.
- Change of ownership (i.e. logbook issues) rose slightly, to 4% from 3% the previous two years.
- 5% related to refund of deposits which decreased from 6% in 2018.

The Tribunal is chaired by an Independent Arbitrator and includes industry representatives and a leading Consumer advocate.

The Tribunal noted with concern that a high percentage of complaints registered related to the condition of the vehicle sold and must once again stress the importance for members to understand that you must be able to stand over anything you say about the condition of the vehicle, documentation, its age, number of previous owners, recorded mileage, whether it was involved in a crash, whether it was rented or leased or used for taxi work, etc. Remember your company or firm will be liable for any statement you make. You could also be liable to prosecution in the case of a serious misrepresentation.

The Tribunal noted the general high volume of complaints this year, in particular the amount of complaints that went before the Tribunal for the fourth year running and encourages members to continue their efforts in approaching complaints with a quick positive reaction as in many cases a simple explanatory letter from the garage can often bring a complaint to a resolution removing the need for the matter to go before the Tribunal. Such a straightforward approach can, on many occasions, save a lot of time and effort for those involved and, in addition, may result in members retaining more satisfied customers.

Priorities by Sector

Commercial Vehicle Testing Network (VTN) 2019 -2020



CVR Test Centres are currently authorised for a ten-year period with the majority of authorisations expiring in March 2024. Given that there is now less than four years to go to this expiry date, the RSA recognised that Test Operators needed some kind of business certainty about future authorisations and so they engaged BearingPoint Consultancy firm to undertake an independent strategic review of the existing CVR testing regime in May 2019 with a view to making recommendations about the future of the service. BearingPoint carried out the review with all major stakeholders consulted including the Department of Transport, An Garda Síochána, FTA Ireland, IRHA, Dublin Bus, Bus Éireann, AA Ireland and CCPC to name but a few. They also engaged with the RSA internal CVRT team and SIMI who made a detailed submission on behalf of the VTN Committee and our members.

At our Testers Conference last November, they were pleased to inform us that on foot of the review, the current system would continue and new authorisations will be offered post March 2024 for a new ten-year period up to 2034. However, they also outlined a number of key recommendations and improvements which they would be seeking Test Operators to make in order to avail of a new authorisation going forward. Notwithstanding the investment that will be required, it is hugely good news for Test Centre Operators that they now have business certainty for the period of testing up to 2034 and can plan for the future with confidence.

Probably the biggest challenge facing current Operators is that the RSA have signalled that all current "special conditions" which relate to premises and equipment will expire in 2024. This will be challenging for some Operators, as for example, historically, not all CVR Test Centres have drive through facilities.

The RSA have outlined an approximate timeline for the next few years as we count down to the next authorisation period starting date. From January 2020 until September of this year, SIMI and the VTN Committee will be engaged in a consultation period with the RSA about the recommendations and improvements as per the Review Document before the latest consolidated version of Premises & Equipment is published. A number of important surveys have been undertaken recently of current premises' lane dimensions and age profile of equipment.

The RSA would see 1st October 2022 as the opening date for renewal of current test centre authorisations with 1st October 2023 as the closing date so that applications may be processed. Quality and consistency of testing remains a core value which underpins the current CVRT test system and will remain a priority going forward. The RSA in giving this business certainty for the future want to see a standard and uniformity across CVR Test Centres and want Test Operators to invest as required to achieve these aims. As a result of COVID-19 test centres closed on 28th March 2020 in line with Government restrictions. From the 18th of May the Commercial Vehicle Testing System service resumed but initially is restricted to testing vehicles that had a test due date prior to the close down date of 28th March 2020. It is expected that there will be a phased removal of these restrictions in the coming weeks.

Commercial Vehicle Sector 2019 - 2020

Although the Irish economy continued to perform well in 2019 (notwithstanding the uncertainty about a 'smooth' Brexit), business sentiment declined a bit as the year went on which probably led to registration figures showing little or no growth by year end when comparing year on year with 2018. In 2019, LCV registrations came in at 25,342, a whisker down on 2018 (25,447) and HCV (Inc. Buses) registrations were up 2.43% with 2,653 registered as against 2,590 in 2018. Interestingly, with the arrival of Smart Tachograph in mid-June 2019, this led to many Distributors pushing sales forward in Q2 2019 which showed a 40% increase compared with Q2 in 2018 but then the result of this push forward in Q2 resulted in a 28% drop in Q3 and tended to concentrate figures in the first half of last year.

All of this is, of course, a world away from where we are now with the arrival of the COVID-19 Pandemic which has turned everybody's world, not only in the Motor Industry, upside down. Though 2020 started reasonably well with figures holding par vs. 2019 for LCVs in the first two months of the year and indeed HCVs showing a healthy 10% growth, notwithstanding that, a couple of significant fleet replacements can always distort figures in this market. The market has practically collapsed due to the impact of COVID-19 and is now dependent on the evolving situation.

Second-hand Imports have continued to play a significant role in the Irish Market with 13,346 LCVs registered in 2019 compared with 13,948 in 2018. In the HCV Sector, imports have continued to surge ahead with a 30% increase in 2019 (5,011 units) compared with 2018 (3,856 units). Significantly, from an

emissions point of view, 62% of the HCVs imported were 6 years or older meaning they were pre-Euro 6 models and indeed 82% of second-hand imports were more than four years old. While these imports do not likely displace new sales, they do tend to reflect vehicles that, because of climate change policy in the UK, have secondhand values which are seen as bargains by Irish Operators.

Overall, in 2019, in the wider EU, the market for commercial vehicles expanded by 2.5% and this represented the seventh year of growth for commercial vehicles in the EU overall.

Of significance to the sector for 2020 is the new EC type approval directive EU 2018/858 which will come in to force in all EU markets on 1st September 2020. It is more important than ever to keep informed on these new regulations and to constantly keep in touch with Manufacturers on changes to vehicle specifications and last sell by dates in accordance with the relative EC Directives. The Commercial Distributors Committee in conjunction with the RSA has worked hard to keep members informed on these changes and how they will impact on the Market. EU 2018/858 is a Regulation (therefore will be binding in all EU Member States) and will replace the last main type approval Directive EC 2007/46. A new S.I. giving further effect to this Regulation is currently being drafted by the RSA.

Over recent weeks we have been considering the impact of the COVID Pandemic on the Sector and depending on how this evolves and how quickly business can get back to what many people are now dubbing the 'new normal'. We have been in discussion with RSA on the end of series vehicle scheme and are looking to see if there is the possibility of getting dates for vehicles which are currently in the scheme extended to allow for the impact of COVID-19 on vehicle sales. VECTO which is the new software developed to determine CO₂ emissions and fuel consumption

of HCV Vehicles was introduced in January 2019 with a phased introduction of various vehicle groups having the requirement to be VECTO certified which started for registration purposes from 1st July 2019. Body Manufacturers going forward will be expected to recalculate WLTP and VECTO emission values for chassis and cabs (incomplete vehicles) after they have been fitted with a body. NSAI have advised that Distributors should set up formal agreements with authorised body manufacturers in relation to bodybuilders technical guidelines and to provide software so that figures can be calculated for emission values where the vehicle is going through the type approval process and being completed. Some major Bus Trials also took part last year investigating different types of alternatively fueled vehicles. The results of these trials were completed and the final report released on 14th February 2020 and these were distributed to all members.

In relation to after sales, Commercial Dealers have complied with all Government COVID-19 restrictions and are now following government protocol and Industry guidelines for the safe re-opening of their business.

ELECTROMOBILITY EXECUTIVE

The Electromobility Group was established in 2015 to collectively manage the transition to alternative fuel technologies. At the time, there was very little collective thinking in this area. The Group has been very successful in overcoming this issue by virtue of the calibre of stakeholders that collaborate on this team. OEMs, Franchise Retailers, Fuel Distributors, Government Departments, the Road Safety Authority, the SEAI, eCars and technical specialists all contribute to the objectives. The current basket of incentives that are available for Battery Electric Vehicles and Hybrid Technology

are some of the best incentives in Europe. This group is influential in deciding and delivering successful campaigns to achieve these incentives. It also influences the strategic development of the infrastructure as well as the development of advertising and social media content to promote alternative fuel technology. The group has been credited with many successful campaigns and the future development of this sector will be influenced by the thinking and drive of this creative and delivery driven assembly.

PETROL/OIL SECTOR

The Petrol/Oil Company Sector continues to play a key role in the Irish economy, not just in the product it sells, but also in the tax it generates for the Exchequer, in the region of €3bn annually, and in the local employment and economic activity generated by more than 1,700 retail sites in the State, employing in the region of 13,000 people countrywide. Fuel taxation is very high in Ireland, with over 50% of the retail price of fuel returned to Irish Revenue. Budget 2020, and the increase in carbon taxes, only adds to this taxation burden and further increases are expected in the years ahead. The importance of the national network of filling stations to mobility in Ireland has been highlighted during the COVID-19 crisis, with fuel stations included as an essential service and playing a vital role in keeping emergency services moving. In 2019, total volumes (diesel and petrol combined) rose marginally, while the mix of diesel in this total increased.

FRANCHISE RETAILERS

The underlying economic indicators would suggest that the Motor Industry should be performing strongly. However, that is not the case and with global profit margins for franchise retailers being threatened by a range of

challenges, the Irish Franchise Retailer is faced with significant tests over the coming years. The drop in new car sales can be attributed to a number of changes to the retail environment but principally the decision of the UK to leave the European Union in 2016. As a result of this decision, we saw a decline in the value of sterling leading to a significant increase in the number of imported vehicles. This normalised for consumers in 2017 leading to both trade and private purchasing increasing to levels beyond 100,000 vehicles, something that had not been seen previously. Prior to this, the age of used imports was six to nine years but this transformed as consumers began opting for nearly new imports. This behavioural change led to the displacement of a third of the new car market. The increase in used imports also had a negative effect on the residual value of Irish stock and valuing a used car was dependent on what the UK equivalent was costing to import. Consumer confidence and sentiment also remained cautious for the year and, while the secondhand market performed well, as did the aftermarket, the need for a buoyant new car market has become a major issue. The Finance Market was very strong and PCP Finance as well as Hire Purchase products reflected the strong performance of retail sales generally. With low interest rates and competitive pricing, the strength of the financial offers that are available to customers should continue into 2020/2021.

One of the major challenges for the market moving forward is the Climate Change Agenda. We all welcome the move away from fossil fuels to alternative sources but, if this is not managed correctly, it will have a devastating effect on the motor retail landscape. This requires strong leadership and policy decisions that allow for a seamless transition to alternative options. For an industry where the cost of the product is so high, the decisions that are made by Governments can potentially

have a devastating influence on the sustainability of a business. While we understand that a move away from internal combustion engines is a clear objective for all stakeholders, this move is not a simple one and requires detailed planning to produce a model that allows customers to make environmental choices in a transitional manner rather than attempting to force changes that won't achieve the required outcome. This will be the biggest challenge for all stakeholders. If the policy decisions are not aligned with International best practice, the end result will fall short of our emission objectives and lead to the closure of many sustainable franchise businesses. This is seismic change that must be managed correctly. In that way, we all benefit, including the planet. The partnership approach adopted by our Electromobility Executive is key to achieving our common goals of a reduction in greenhouse emission and a move to alternative fuel technology. We welcome the debate about these and other issues, which are also potential opportunities for growth and job creation in our sector. The 2020 Budget saw the potential introduction of WLTP deferred to the following year. This together with the introduction of a NOx charge on Used Imports were the fiscal projects that were delivered by the executive. These changes could not have happened without the collective bargaining and support of the regional franchise retailers. It is vitally important that the ethos of 'one voice' continues to be the mantra for SIMI and its collective membership. Without that, the potential for successful participation with Government and influential stakeholders is diminished.

The recent pandemic will change the way in which we do business. Many of our Franchise Retailers have already begun the move to digital platforms and contactless selling. Our focus will be on protecting employees and ensuring that they are motivated to deal with the

challenges ahead. As we go through this period of significant change, we need to be clear about our direction and the need to innovate and develop change that can benefit our sector and allow us to thrive through the next decade – our customers will expect nothing less.

INDEPENDENT SECTOR

Over the past year, both the independent repairers and independent retailers' sectors have been represented by the two independent chairmen at committee and Management Board level.

COVID-19 has created the single largest issue for independent Member companies. In the initial measures announced by An Taoiseach, workshops were considered essential services which allowed some aspects of the business to operate, however, further restrictions were imposed which removed the ability of workshops to operate, except to carry out emergency repairs. In advance of COVID-19, members in the sector raised a number of concerns:

- the shadow economy and the impact it is having on legitimate business;
- access to repair information;
- attracting apprentices to the Industry and retaining technicians.

In an effort to address these issues, the committee has commenced work in conjunction with all sectors of the Industry on an overhaul of the Autosure programme to bring about licencing within Industry which is designed to help to strengthen the sector and address the shadow economy. Members of the independent committee sit on the Apprentice Steering Group to address ways in which the Industry can attract and retain technicians. The SIMI in conjunction with our European counterparts are addressing the systems for access to security-related repair and maintenance information. Other key issues include:

- Brexit;

- the weakened value of sterling leading to the huge increase in the number of imports which resulted in a decrease in the residual value of stock in the Irish market; and,
- the changeover to WLTP and the impact this may have on the VRT and Road Tax systems.

An Independent aftermarket conference is due to take place in 2020 following the success of the 2018 conference which will be organised between the Wholesaler and Independent Committees.

VEHICLE MANUFACTURERS/ DISTRIBUTORS

The impact of Brexit, along with a registration tax system that encouraged the sourcing of used cars from the UK and negatively impacted on Irish used car residuals, again hampered the new car market in 2019, which was 7% down on 2018 and 20% lower than 2016. Confusion among consumers over what fuel type they should select, has further dampened demand and this has seen new car sales fall further at the start of 2020, even before the impact of COVID-19. The Distributors were active in the Society's Budget lobby, with their own sector-specific press conference and this, along with their support in lobbying, no doubt helped in the removal of the diesel surcharge from VRT and its replacement with a more emissions-focused NOx tax. Furthermore, Budget 2019 saw the deferral of any move in VRT to a WLTP basis, which had the potential to increase this tax at a time when the new car market is very fragile. Distributors were shocked at the removal of EV Company Car Grants, which with the EV project now at a critical stage, has sent mixed messages to fleet buyers and led to an unnecessary fall in company EV cars. COVID-19, in addition to the obvious health and safety issues, has led to an almost complete halt in new car sales. Although at the time of going to press

dealers are re-opening, the second half of 2020 will continue to be hugely challenging for the new car market. In this context, the Vehicle Distributors' Committee is concerned over the move to WLTP from January 2021 at a time of economic distress when there is a clear need to support and stimulate the new car market. Distributors were instrumental in implementing measures among their franchise holders which allowed for both social distancing and health and safety measures that assisted SIMI greatly in convincing the Government to advance vehicle sales into Phase 1 of the Roadmap out of lockdown. The SIMI is also working, in conjunction with ACEA, on seeking extended derogations for vehicles that have not been sold due to the COVID-19 crisis.

VEHICLE RECOVERY SECTOR



The Vehicle Recovery Operators Section has again been extremely active over the last 12 months in representing the breakdown sector. Following on from the success of the previous year's National Conference, which the RSA presented at and attended, the RSA have taken a more active interest in the safety issues facing recovery operators. A survey was undertaken among the recovery section membership which received a strong response from the sector and a summary of the responses was forwarded to the RSA. The RSA in response to our survey subsequently highlighted the findings and issued an article on the dangers facing breakdown operators in urban and rural locations in the motoring section of a national newspaper. Liaison with the RSA continues along with other

state bodies in order to promote the wellbeing of SIMI members operating in the recovery sector and to highlight the safety concerns of our members.

The promotion of the professionalism of the SIMI Vehicle Recovery Operators Section continues and was further enhanced over the last year to the general SIMI membership by two promotional adverts which featured in the SIMI Irish Motor Industry magazine. Also, the SIMI Vehicle Recovery Operator of the Year Awards was featured at the SIMI Irish Motor Industry Awards in February.

The VRO Committee meets at regular intervals throughout the year and addresses the feedback, concerns and issues facing the sectors, including the high costs of insurance and the lack of competition in the insurance sector. Another issue causing concern is the lack of enforcement in tackling rogue operators.

The 2020 SIMI VRO National Conference was due to have been held in early April but unfortunately due to COVID-19 had to be cancelled.

VEHICLE BODY REPAIRERS SECTION



The Motor Industry is undergoing a seismic shift. The increasing number of high specification cars now fitted with advanced driver assist systems (ADAS) as well as complex hybrid or electric drivelines is ever-increasing. This will require body repair technicians to be trained to a highly skilled level going forward to ensure that they can repair cars properly in accordance with manufacturers specifications and return them to customers in their pre-accident condition.

For example, the ability to identify ADAS going forward will be critical for Body Repairers to be

able to carry out safe repairs and calibrations. SIMI in conjunction with our VBRS Committee will continue to source and provide Skillnet courses to help the Sector upskill as required.

Body Repairers continue to live in a very challenging environment. Inevitably the great majority of major body repairers rely on the insurance industry to provide stable work but unfortunately therein lies a key structural problem for this particular sector. Because of the collective bargaining power of the Insurance Industry, the body repair sector has found it almost impossible to achieve an adequate return, to fund the necessary investment in their businesses. There are some excellent high-quality premium repairers in the Industry. Indeed, many of our premium Bodyshops have in recent years attained the CSS Standard and we continue to promote that standard with Insurance Companies and other fellow SIMI members within the trade. We particularly appeal to our Main Dealer sector and indeed all of our members to support fellow members in the SIMI VBRS Sector. The Insurance Industry need to be aware that if they want a healthy crash repair sector going forward, they need to allow them to make an adequate return. Otherwise, it is almost inevitable that the sector will continue to contract and it will be more difficult to find companies that can repair to the proper standards in the future. In recent times this sector has struggled with annual apprenticeship numbers to meet Solas targets for running training programmes. Thankfully in 2019, due to a concerted effort on behalf of the training sector in SIMI,

apprenticeship figures for this sector showed a 28% increase, the biggest increase of any motor sector apprenticeship programme but numbers were still small, relatively, at 51 new entrants to the system. Solas currently only have two locations with the infrastructure and equipment to carry out such training in Sligo and Dublin. It will still be a challenge going forward to maintain these venues if apprentice intake reduces again.

The arrival of the COVID-19 resulted in vehicle body repairers like many other businesses temporarily closing their doors for a number of weeks (with the exception emergency repair only and to backing up essential services). While the Motor Industry is now back to business, the length of time it takes to bring this pandemic under control could have grave consequences for this already challenged sector.

As the restriction of movement will more than likely lead to less crash repairs. SIMI will continue to work with the VBRS Committee to support the sector going forward through this tough time.

WINDSCREEN REPLACEMENT SECTOR

The Windscreen Replacement Sector continues to focus on the importance of standards and the potential benefit of recognised qualifications and training for operators and operatives. Qualifications and accreditation support the ongoing needs of employee development. It will be necessary to benchmark minimum competency standards for existing operatives within the sector. We also need to provide new and

better training with accreditation/qualification systems for new entrants into this growth area. The potential to develop continuous professional development for all operatives in this segment is the priority for this group.

WHOLESALE SECTOR

A number of meetings were held for the Parts Wholesalers throughout the year and the sector has been well represented at management level by Chairperson, Gillian Fanning. SIMI, along with Gillian, has attended a number of FIGIEFA meetings throughout the year, representing the Irish sector at a European level and engaging with ITGs and aftermarket organisations across different countries. Together with FIGIEFA, there has also been ongoing engagement with Irish and EU politicians and the Road Safety Authority to promote the interests of the Irish aftermarket.

The key issues for the sector are: changes to distribution channels and consolidation in the global aftermarket; COVID-19 crisis (supply chain management, NCT centres closed etc.); Motor Vehicle Block Exemption Regulation; remote access to in-vehicle data and access to data through the 'Right to Connect' campaign, which provides for open and transparent sharing of vehicle data. Insurance costs also continues to be an issue. A second SIMI Irish Aftermarket Conference was planned for October 2020, but this has now been postponed until 2021 for health and safety reasons.

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The Society of the Irish Motor Industry
is a Registered Friendly Society
Registration Number 374T
VAT Registration Number – IE 0656762 N



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