

APRAA Chairman's Report

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Industry Challenges.... How the Weather can affect all of us.

As we approach the coming summer, weather experts are predicting a return to El Nino like weather patterns, which means hotter and dryer weather with sudden bursts of storm type activity.

As they have done in the past, stakeholders will try to meet these types of challengers based upon their experiences with previous weather related "events" and all the effort required in processing the thousands of different vehicle types and ages of these storm damaged vehicles.

Now other circumstances also come into play, such as the introduction and rollout of the new damage assessment criteria across Australia.

This will again be a new challenge for the industry to take on board in determining the significant changes with the new requirements for handling water damaged vehicles, as was evident in the last major weather event which affected the eastern seaboard of Australia. There is an expectation that a similar weather event may lead to a substantial increase in water damaged vehicles being declared statutory written-off vehicles.

The challenge and opportunity lays in how best the parts recycling Industry can manage extracting the best possible use of this influx of resource, whilst our traditional market places are increasingly under competitive pressures or the demand for raw materials and scrap metals goes through a downward cycle.

In fact, treated with the proper perspective, this can be an enormous advantage to the auto parts recycling industry and how we deliver our business to our direct customers, whether they are from the body repair, mechanical industries or even private individuals.

The auto parts recycling industry has the potential to become leaders in the recycling field due to the massive amount of raw material that becomes available due to these types of weather events.

In circumstances such as these, challenges and opportunity merge into one.

Chris Cooper, APRAA Chairman