

Autobody crisis cause SGI rate hike

Rates will be going up because of a deal with autobody workers

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[Auto body shops will see big increase 2:18](#)





The CBC's iTeam has learned that SGI rates will be going up in the next few years after Saskatchewan's autobody shops have signed a three year deal that will see them get a 33 per cent raise.

There are several things causing trouble in the autobody industry including competition to retain workers along with a massive amount of technological change.

"It's very bad," said Terry Beattie from a shop in Moose Jaw. "Actually I could use another journeyman employee right now, but if you go onto any of the job search sites you'll see that every autobody shop in Moose Jaw has had an ad for an employee for a long time on there. So I'm not alone. Everybody's looking for an autobody technician."

There are also some significant technological advances when it comes to autobody work, which pushes them to purchase special tools that could cost in the tens of thousands of dollars.

Some shops are simply not getting enough business to be able to afford all the equipment, adding to the financial pressure.

Autobody crisis in province

A recent study paid for by the auto industry and SGI found the reason shops are in trouble is the rate of pay from SGI.

Some shops claim they are being driven to the brink of closure, because they say SGI isn't giving them enough money.

The study results showed that small shops in rural Saskatchewan that bill less than \$1 million a year were close to closing down because they weren't bringing in enough income.

Results also showed that shops that bill less than \$2 million were in danger of not being able to keep up with technological advances.

Bill Ziebart, with the Saskatchewan Association of Autobody Repairmen, said his members have been pushing hard for a wage increase.

"People have to understand that with the new technologies and the training if you want your vehicle to be repaired to pre-accident condition to OEM standards and to be safe you need this," said Ziebart.

"It is essential. And do we leave the rates low and take shortcuts and don't repair in proper manner and have unsafe vehicles on the road. That's not the answer, things cost money nowadays," he said.

SGI agrees to pay more

Shops get about 85 per cent to 90 per cent of their business from SGI, with the crown company paying them \$69 per hour. The rate falls in at about average when compared to other provinces.

Workers were pushing for a \$20 an hour raise, but ended up moving from \$69 per hour to \$93 per hour over three years.

Though Ziebart said even this new increase isn't enough to pay for his industry to compete against other trades.

"If you look at electricians, plumbers, carpenters all these people their rates are up in the \$125 to \$135," he said. "A low rate in the province for any of those other four year rates might be 105

dollars.”

Paul McIntyre, Assistant Vice President, Urban Claims and Salvage at SGI, acknowledges it's a big increase, but he says it's necessary in order for us to continue to have an industry here.

“We project an increase of claims over the next four to five years of 30 per cent,” said McIntyre. “There's gotta be a financially viable repair industry to repair those vehicles for Saskatchewan customers.”

SGI has determined that when the \$93 rate is fully implemented it would cost consumers an extra four per cent on our insurance rates.

The crown corporation points out that may not necessarily mean a four per cent increase on people's bills, because it may find ways to offset the hike.