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Ms Peta Dixon
Consumer Policy Unit
Consumer and Corporations Policy Division
The Treasury, Langton Crescent
Parkes ACT 2600

Email: Peta.Dixon@treasury.gov.au

Dear Ms Dixon,

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to provide input to the Treasury's discussion paper "Motor Vehicle Repair and Service – Mandatory Information Sharing Scheme".

The AADA is the peak industry advocacy body exclusively representing franchised new car Dealers in Australia. There are around 1,500 new car Dealers in Australia that operate about 3,500 new vehicle outlets.

Critical Design Elements for the Mandatory Information Sharing Scheme

AADA fully supports the introduction of a mandatory scheme for the sharing of technical service and repair information in the motor industry. AADA remains committed to working with other industry groups and government departments to achieve this.

AADA believes that it is critical that consumers be the principal beneficiaries of the scheme and that all elements of the scheme should serve to provide motorists with greater choice of repairer and the benefits of increased competition.

The delivery of these consumer benefits will only be realised if the scheme is structured such that all parties are able to compete on equal grounds, as noted by the ACCC which in its Market Study described a mandatory scheme as being one that operated on "commercially fair and reasonable terms". It is also important that repairers purporting to provide repair and maintenance services can demonstrate agreed levels of competency and equipment to do so, to ensure the best possible consumer outcomes. This inevitably means that not all repairers will be granted access to all levels of information. Safety security and emissions information should remain restricted as the potential for consumer detriment and harm can result from the misuse of these types of information.

Pricing

The pricing for the information and any special tools and diagnostic equipment is currently determined by the Manufacturer. Under the scheme it is critical that no matter who is making the purchase (parts or technical information), the price is equal for all. AADA will not agree to pricing structures that are different depending upon whether the purchaser is a

Dealer or independent repairer and any structure designed this way is not in accordance with the commercially fair and reasonable principles outlined by the ACCC.

Who decides on access levels for technical information

Technical information has implications for vehicle security, safety and emissions performance. It is therefore important that technicians who have access to it are suitably trained and equipped to perform the repairs or maintenance procedures they are undertaking. AADA recommends that the scheme should allow the owners on the IP (normally the vehicle Manufacturers) to determine its sensitivity and technical complexity and set a minimum level of competency for access to that information.

Should private individuals be able to obtain information

Yes, for certain types of information, up to a certain level, but nothing with safety, security or emissions implications. For example, common torque specifications and fluid capacities should be available to consumers. Over and above this, the rules of the scheme should apply, anyone given access to information must have the appropriate tools, training and expertise to use it.

What does “made available for access” mean?

Whenever a repairer is performing a repair, it is incumbent upon them to ensure that they are using the latest repair techniques and parts. To do this they must have made available to them, at their enquiry, access to the current parts and information on service campaigns, recalls and Technical Service Bulletins (TSB's) in addition to the other regular repair information that they may be entitled to purchase. This information should be available at the same time as it is provided to the Dealer networks. It is unreasonable to expect Manufacturers who have no knowledge of or relationship with independent repairers, to “push” information to them. The responsibility should rest with the repairer and this process is easily facilitated through online portals.

The Body

The governing body for the scheme should consist of an independent chair, appointed by government and comprising representatives from the appropriate industry stakeholder groups (nominally FCAI, AADA, MTAA, AAAA, AAA).

Original and Aftermarket Parts

The origins of automotive parts can become confusing and complex, with common descriptions including:

- Genuine parts
- Aftermarket parts
- OE parts
- Parallel parts
- Certified parts

Keeping the focus on what is best for the consumer, it is important that customers are informed of the type and origin of the parts being used in the repair of their vehicle. AADA recommends that the body agree to a set of parts definitions, which are clear and transparent and declared to the consumer prior to the commencement of service or repair.

What vehicles are covered

While AADA can only speak on behalf of franchised new car Dealers, it is reasonable that the scheme should extend to other vehicle types.

Please feel free to contact James Voortman on 0452 535 696 or jvoortman@aada.asn.au if you have any questions.

Yours Sincerely,



David Blackhall
Chief Executive Officer