



Monday 11 March 2019

The Treasury

Mandatory Motor Vehicles Scheme
Consumer and Corporations Policy Division
Email: repairinfo@treasury.gov.au

Dear Treasury

RE: Consultation on a mandatory scheme for the sharing of motor vehicle service and repair information

I write regarding the consultation on the principles governing a mandatory scheme for the sharing of motor vehicle service and repair data. CHOICE strongly supports such a mandatory scheme being introduced in 2019.

As the ACCC's market study into the new car retailing industry found, access to technical information is increasingly necessary when servicing and repairing new cars.¹ In 2019 and beyond, cars can be seen as computers on wheels and technical information is needed to service them. However, much of this information is held by manufacturers and only provided in full and in a timely fashion to their authorised dealership mechanics. This leaves independent mechanics on an uneven playing field, reducing competition and resulting in less choice and higher prices for consumers.

Industry stakeholders produced a voluntary agreement in 2014 to improve accessibility of service and repair data for independent repairers. This agreement has failed to achieve its aims. A mandatory scheme is necessary. Access to repair and servicing data remains poor across most parts of the industry. Independent repairers remain unable to access the information they need in full, or in a timely fashion, or at all. CHOICE supports the recommendation that the scheme be made mandatory, with manufacturers required to share technical information with independent repairers on commercially fair

¹ ACCC, December 2017, 'New car retailing industry market study - final report', available at <https://www.accc.gov.au/publications/new-car-retailing-industry-market-study-final-report>

57 Carrington Road Marrickville NSW 2204

Phone 02 9577 3333 | Fax 02 9577 3377 | Email campaigns@choice.com.au | www.choice.com.au

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and reasonable terms. CHOICE is pleased to see this consultation on the principles and features of a mandatory code.

CHOICE looks forward to ongoing consultation on the specific provisions of the code, and we agree in principle with the objectives of the code as outlined in the discussion paper. However, we recommend that penalties for breach of the code be introduced from the outset. As the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industries has recently shown, codes that are unenforceable or that do not come with any penalty for non-compliance cannot achieve their goals. The threat of significant fines is needed as a lever to encourage proactive compliance from businesses. We note that in general, the principles for effective code development are that codes must:

- Be led by an independent party and shaped by consumer needs rather than industry preferences;
- Be supported by accurate and unbiased research into the problems they seek to solve;² and
- Be developed by asking the right questions of industry, i.e. how protections could be operationalised rather than whether protections should be implemented at all.

For further information please contact CHOICE on sagar@choice.com.au

Yours sincerely,



Sarah Agar
Head of Campaigns and Policy

² We note that this precondition has been met, with reference to the ACCC's market study on the new car retailing industry.