



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Submission to the consultation on a mandatory scheme for the sharing of motor vehicle service and repair information

March 2019

The Business Council of Co-operatives and Mutuals (BCCM) is pleased to make a submission to this consultation on a mandatory scheme for the sharing of motor vehicle service and repair information.

BCCM members include motoring clubs with 8 million motorist members, and Capricorn Society, a purchasing co-operative with more than 20,000 independent automotive sector businesses in membership.

Co-operatives and mutuals are a vital competitive force in many markets across the Australian economy. In the automotive aftermarket, Capricorn Society gives independent repairers the buying power and support to compete in markets that would otherwise be dominated by multinationals and thereby provide greater choice of repairer for millions of Australian motorists. The BCCM supports policies that have the objective of providing a level playing field for independent businesses, including co-operatives, to compete and provide consumers with greater choice.

The BCCM therefore welcomes the release of this Consultation Paper and the Government's support for a mandatory code for vehicle data sharing. We support the policy objective of a mandatory code, which is to enhance competition and consumer choice in the automotive aftermarket by reducing information asymmetries between different businesses competing in that market.

The ACCC's new car retailing industry study Final Report found that consumers would 'benefit from competitive aftermarkets and by having a choice of providers to repair and service new cars, and that voluntary commitments to share technical information have not been successful...' The ACCC was clear that all data should be mandated to flow to repairers.

The flow of data to repairers will require clear definitions in the mandatory code that ensure security, safety or emissions are not treated as exemptions to the requirement to share data with repairers. We are concerned that the Consultation Paper is not clear on this aspect for drafting of a mandatory code.

The development of these aspects of the mandatory code is unlikely to be effectively worked out by an advisory committee, given 'voluntary commitments' to share data have failed so far. Without clear definitions effecting a flow of data to repairers, it is uncertain the policy objective behind introducing a mandatory code – enhancing competition and consumer choice in the automotive aftermarket – will be achieved.

The BCCM would welcome the opportunity to provide further information and background on the matters raised in this submission.

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