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The Treasury  
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PARKES ACT 2600

26 May 2015

### **Competition Policy Review Final Report**

The Australian Automobile Association (AAA) is the peak organisation representing Australia's motoring clubs. The AAA's constituent clubs are the NRMA Motoring and Services, RACV, RACQ, RAC (WA), RAA (SA), RACT, AANT and the RACA. Combined, these clubs represent more than seven million Australians.

The AAA welcomes the opportunity to comment on the final report of the Competition Policy Review. We provided submissions to the consultation process conducted by the review panel and support several of the recommendations.

#### **Access and control of vehicle data**

The AAA is concerned by the consumer detriment arising from a lack of access to and control of consumer's data collected by new vehicles. In its submissions to the Review, the AAA raised the likely negative consequences to motorists and the independent vehicle service and repair sector.

The Final Report (Recommendation 21) recommended that:

*“Governments should work with industry, consumer groups and privacy experts to allow consumers to access information in an efficient format to improve informed consumer choice. The proposed Australian Council for Competition Policy (see Recommendation 43) should establish a working group to develop a partnership agreement that both allows people to access and use their own data for their own purposes and enables new markets for personal information services. This partnership should draw on the lessons learned from similar initiatives in the US and UK.”*

The AAA welcomes the intent of this recommendation in the Final Report and believes consumers should be allowed to access and use their own data for their own purposes. However this recommendation stops well short of providing sufficient consumer protection from vehicle manufacturers that currently control data produced by a new vehicle and which are not required to disclose any information being collected.

Further, the approach in Recommendation 21 has already been undertaken with mixed results. The automotive industry has undertaken a voluntary agreement to access data for service and

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repair information. This approach, which also generated a report by the Commonwealth Consumer Affairs Advisory Council (CCAAC), took over six years to finalise and has done little to ensure consumers have free access to their information.

The AAA believes the Government should provide a significantly-greater degree of consumer protection for Australians who want to access and/or control information from vehicles they own. In almost all other cases, when a consumer purchases a good, they determine who has access, and for what purpose, to the data or information generated by that good. For example, when a consumer purchases a mobile phone, they have the option of enabling a range of data services related to that phone (such as location services or data roaming). The AAA believes information generated by a vehicle is no different and should not continue to be kept from consumers.

Consumers who are compelled to use the vehicle manufacturer as the provider of a given ancillary service will also potentially pay higher prices for these services. For example, in the vehicle service and repair industry, independent repairers generally offer repairs at a lower price than authorised repairers. By locking out independent service providers who compete on the basis of price, consumers will have little choice but to accept the prices determined by vehicle manufacturers.

This can also have implications from a road safety perspective; in that motor vehicle owners have an obligation to maintain their vehicle in a safe, roadworthy and reliable condition. To do this, they should have a right to choose any supplier to provide this service for them. Lack of choice and pricing considerations should not act as disincentives for motorists to have their vehicles serviced regularly.

The AAA is concerned that a lack of protection of motorists' rights will see consumers prevented – or limited - from accessing their vehicle data, thereby inhibiting third parties from supplying services to consumers.

The AAA's original submission called for the review panel to investigate whether current competition laws adequately address the restriction of vehicle data. The submission also flagged the possibility of the Australian Competition and Consumer Commission (ACCC) investigating the restriction of vehicle data by manufacturers through section 46(1) of the Competition and Consumer Act 2010 (CCA).

The AAA considers that this issue is fundamental to competition within the automotive repair and service industry. Further, it is critical that consumers should be given full knowledge of how their information is handled and used when purchasing a vehicle. We urge the Government to outline its plans for this emerging consumer issue.

### **Road Transport Pricing**

Recommendation 3 in the report calls for cost-reflective road pricing to be introduced. The AAA has long been critical of current funding and taxation arrangements for public infrastructure, which provide no direct link between revenue and expenditure on land transport infrastructure.

Road users pay for access to roads via a number of state and federal taxes and charges. Further, through the federal fuel excise, motorists will next year pay more than \$15 billion to the Federal Government. The period 1998-2012 saw only 41.4% of excise funding re-invested into roads (BITRE, Infrastructure Yearbook. Page 39).

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The AAA believes the current public infrastructure funding model to be outdated, unsustainable, and unfair and its reform should be at the forefront of the Government's response to this review and more appropriately, the upcoming review of Australia's taxation system. The AAA supports any governance model that bolsters the link between consumer demand and investment in an economically efficient way while still taking into consideration equitable access to infrastructure. The AAA partnered with the Infrastructure Partnerships Australia to commission Deloitte to prepare a report on road pricing. The report can be found here:

<http://www.aaa.asn.au/storage/IPA%20Road%20Pricing%20Paper.pdf>

A move to a user pays system for roads will lead to greater efficiency and fairness for motorists, so long as existing inefficient and regressive indirect taxation is reduced.

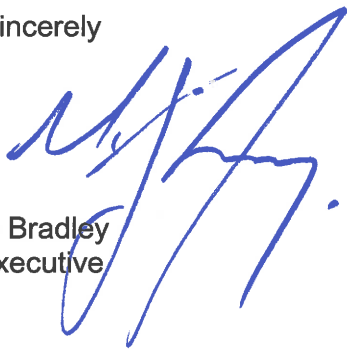
### **Taxi industry deregulation**

The final report has identified taxi regulation as a priority area for review, identifying that regulation that limits the number of taxi licences and prevents alternative services from competing, increases cost for consumers.

The AAA advocates for safe and accessible mobility across a range of transport options and believes state and territory governments should take a new approach to ridesharing. The AAA believes that ridesharing should be a legal, state-regulated activity with the potential to provide a safe, lower-cost transport option.

I trust these issues will be of use to the Government as it prepares its response to the review.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Bradley', is written over the typed name and title.

Michael Bradley  
Chief Executive