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Response Submission; Mandatory scheme for the sharing of motor vehicle service and repair information.

Mandatory Motor Vehicles Scheme
Consumer and Corporations Policy Division

The Treasury

Langton Crescent

Parkes ACT 2600

Dear Treasury,

Michael Weber Prestige and Performance is a stakeholder in the Australian automotive industry as an independent automotive service and repair provider.

We have been servicing the Inner Brisbane and surrounding areas for 12 years operating as a consumer solution to vehicle dealerships for European vehicles.

The importance of developing a data sharing facility that enables the independent aftermarket to compete on a level playing field with the manufacturers and their dealer networks cannot be understated.

The Voluntary agreement we are currently under can only be considered a farce. With no penalties or judgements to avoid, the manufacturers have made only token gestures to make it look like they are complying.

As vehicles become more technology laden the aftermarket repairer is at a distinct disadvantage, lacking the data to correctly diagnose, service and repair these vehicles.

This in turn will lead to the manufacturers monopolising all aspects of vehicle sales, service and repair which in turn will be a definitive loss for market competition and ultimately the consumer.

The ACCC report was quite conclusive in its findings in this regard and I believe it should be followed to the letter if we are to develop a successful scheme.

Regards,

Michael Weber

Director.

RE: Mandatory Motor Vehicles Scheme

Response to questions for consultation.

5.1 (a)

This is not an appropriate starting point as it ignores most of what is laid out in the ACCC report. There are some good principles in the paper but they are then followed up with contradictory statements that would seem to allow the manufacturers to basically decide what they consider to be appropriate information to release. A code based on this paper will leave us in the same position as we are in with the voluntary scheme.

(b)

This Paper will not be an improvement over the current voluntary scheme. It doesn't even reference the ACCC recommendations regarding data sharing.

As it stands this paper while, demonstrating some good ideas, still leaves the ball firmly in the manufacturers court and will do nothing to increase competition and benefit consumers.

(c)

Either option can work as long as it is easily enforceable via appropriate penalties or other enforcement action. Any changes to the code must be able to be amended in short order due to the rapid changes in technology the industry is currently experiencing.

It has already been established that the manufacturers will not abide by the "Obligation to act in good faith".

That is how we have ended up at this point in the first place.

5.2(a)

All data should be available as far back as the manufactures have available. Otherwise there will be no benefit for consumers for at least 3 years and no benefit at all to those consumers who do not have the means to buy a new vehicle. Most vehicles since the early 2000's are heavy on electronics and as such require software updates and coding when carrying out service and repair operations.

(b)1

All service, repair, programing and coding data must be supplied as recommended in the ACCC.

The only way that any information should be exempt is if the manufacturer can prove that there is a risk to the public by releasing it. This must be independently verified by a third party.

(b)2

SSE information should be defined as data that can be used to initialise, recode or activate security relevant components.

Otherwise manufacturers will put every bit of data under that heading. Almost every part of a modern vehicle is in some way related to security, safety or environmental concerns.

(c)

Everything the dealers get that is related to the vehicle, this is covered fairly comprehensively by the AAAA and the MTAA.

The submission by the FCAI is laughable and would be a step back from the already poor position we currently find ourselves in.

(d)

SSE access should be provided to registered workshops who have undergone security clearances. It should be administered through a scheme similar to the one currently used in the USA under the NASTF.

(e)

The prices charged in other markets across Europe and the United States should be considered as the best guide. As stated by the ACCC, fair and reasonable commercial terms.

(f)

The dispute resolution process is not satisfactory as it pits small business against manufacturers who are vastly more influential and wealthy. It should be a industry funded body with a non-biased adjudicator that has the ability to resolve disputes in a realistic timeframe.

5.3

The suggested committee is biased towards manufacturers. The AAA is not required, neither is the AADA as this agreement is between the aftermarket and the manufacturers.

In addition to the MTAA I would suggest the MTAQ as the MTAA is not represented in Queensland.

I would also suggest the inclusion of an independent workshop from each state on a rotational basis to get real workshop feedback.

In addition the committee should be deciding which data can have an exemption from distribution rather than which data can be released.

NOTES:**Section 3.33**

The suggestion that repairers should be using the wording "recommended parts" is contrary to the ACCC ruling that parts should be fit for purpose. This is already covered under Australian consumer law and is just another attempt by the FCAI to make independent repairers look like backyard cowboys.

Conclusion:

As it stands this paper is clearly influenced by lobbyists for the FCAI and barely covers the interests of the consumer or the Independent aftermarket. It requires a complete rewrite, taking into consideration the ACCC report which it has dismissed this time round.

The ACCC study covers all of the industry concerns in great detail and arrives at the correct conclusions.

This code should not be pushed through without thorough consultation of the affected stakeholders, this is a long time coming. We do not need a scheme that only addresses half of our concerns while also creating new problems.

Having seen several of the FCAI press releases on this matter it is clear they are trying to portray anyone who is not connected to them as backyard operators or cowboys.

Nothing could be further from the truth. While these places do exist, they will not be affected by this scheme at all. There is large portion of the independent aftermarket who are at least as skilled if not more so than most of the technicians in manufacturer dealerships.

Thankyou for reading this submission.

Michael Weber

Director