



MITSUBISHI MOTORS AUSTRALIA LIMITED

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Treasury Discussion Paper on
Mandatory scheme for the sharing of motor vehicle service and repair information

Submission Cover Sheet

Company/Organisation:

Mitsubishi Motors Australia Ltd

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Background

Mitsubishi Motors Australia Ltd (MMAL) is a wholly owned subsidiary of Mitsubishi Motors Corporation (MMC), Japan. MMAL is the importer and distributor of motor vehicles built by Mitsubishi Motors group companies in Japan and Thailand.

MMAL is a member of the Federal Chamber of Automotive Industries (FCAI), the peak industry body representing vehicle manufacturers and importers of passenger cars and light commercial vehicles, and motorcycles in Australia. MMAL's parent company, MMC is a member of the Japanese Auto Manufacturers Association (JAMA), the equivalent representative body in Japan.

MMAL welcomes the opportunity to respond to the Treasury's Mandatory scheme for the sharing of motor vehicle service and repair information" discussion paper

Australia is one of the most open and competitive automotive markets in the world with more than 60 brands and 350 models from 20 source countries. The market exceeded 1.1 million units in 2018 and is expected to remain similar or contract slightly throughout 2019. In contrast, in 2018 the US market exceeded 17 million vehicles, the European market exceeded 15 million vehicles and the Chinese market exceeded 25 million vehicles. Australian volumes represent less than 1.5% of the global market and make amortization of costs imposed by regulation across sales in the Australian market much more problematic than in other advanced markets.

In response to a call for public comment on this discussion paper, the FCAI has prepared a submission which MMAL has contributed to, fully supports and endorses. This separate MMAL submission represents our additional and supplementary comment to the FCAI submission.

Key Points

- National training, accreditation and licensing of automotive technicians and of their specific qualifications does not exist in Australia. Modern automobiles are increasingly complex. It is important for the safety of technicians and consumers alike that only suitably trained, qualified and accredited personnel is permitted to repair vehicles and to access and utilise service and maintenance information under the proposed mandatory scheme. It is essential that Treasury consider a national scheme for the accreditation, training and licensing of service technicians in conjunction with this proposal.
- Regulated, mandatory schemes for the sharing of motor vehicle service and repair information are in place in major global automotive markets including Japan, China, Europe and the United States of America, in which MMAL's parent company, Mitsubishi Motors Corporation (MMC) has presence. It is MMC's experience that there is very low uptake of the information provided under the mandatory schemes and it is effectively impossible to recover costs incurred in complying with the mandatory requirements by charging the customers of the service any "commercially reasonable rate".
- Cost and "commercially reasonable terms" are sensitive, confidential information in a highly competitive marketplace. MMAL is willing to discuss its experience providing service and repair information under regulatory schemes in international markets directly with Treasury upon request.
- The implementation schedule for any mandatory scheme for service and repair information will need to take into account the time required to resource, design, implement, test and verify the solution. Considerations may include but are not limited to:-
 - Conversion of historical data into a format suitable for contemporary web based systems,
 - Pay gateways which don't currently exist,
 - Provision for privacy considerations,
 - Negotiation of licenses and ongoing fees payable to software and hardware companies and
 - Negotiation with the owners of the Intellectual Property.

END OF COMMENT