



OUT19/2746

Mandatory Motor Vehicles Scheme
Consumer and Corporations Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600
By email: repairinfo@treasury.gov.au

Dear Ms Trudgian

Mandatory scheme for the sharing of motor vehicle service and repair information – consultation paper

Thank you for the opportunity to provide comment on the general principles and establishment of a Service and Repair Information Sharing Advisory Committee as mentioned in the consultation paper.

The Office of the NSW Small Business Commissioner (OSBC) is focused on supporting and improving the operating environment for small businesses throughout NSW. The OSBC advocates on behalf of small businesses, provides mediation and dispute resolution services, speaks up for small business within government, and makes it easier to do business through policy harmonisation and reform.

Independent repairers, the majority of which are small businesses, face increasing reliance on manufacturer-held information to repair vehicles due to rapid advancements in technology. However, car manufacturers have little incentive to provide repairers with the technical information necessary to compete with manufacturers' own authorised dealers and preferred repairer networks.

Introduction of a mandatory code of conduct:

The OSBC continues to support the introduction of a mandatory scheme.¹ Under the current voluntary scheme independent repairers continue to experience problems in accessing all of the technical information they require to service and repair vehicles.² The nature of the power imbalance between manufacturers and independent repairers means that it is unlikely that the market can overcome these problems without intervention. **A mandatory code of conduct would help to provide a level playing field for these repairers and is supported by the OSBC.**

Elements of the code

Limiting coverage to vehicles made available after the Code has come into effect would extend the period in which independent repairers face competitive disadvantages due to inferior access to information required for repairs and would

¹ Office of the NSW Small Business Commissioner (2017) '[OSBC Submission to the Australian Competition & Consumer Commission's New Car Retailing Market Study](#)'.

² Australian Competition & Consumer Commission (2017), '[New Car Retailing Industry: A market study by the ACCC](#)', p. 92



limit the range of vehicles that they are able to repair or service. **The OSBC supports further engagement with industry to determine which vehicles the code covers.**

The definitions of information to be included or excluded must be determined in a manner that does not disadvantage independent repairers. Poor specification of this language could allow manufacturers to use certain exclusions strategically against independent repairers to withhold service and repair information.

In addition to repair information, the OSBC supports transparent pricing information. This is vital for independent repair businesses to provide accurate and competitive quotes.³ Rules governing how manufacturers provide pricing information for parts should also form part of the code. This should include the methodology under which prices are determined and impose requirements stating how information is provided and under what timeframes.

The paper notes that the costs charged to access information will need to be justified by manufacturers as being 'fair and reasonable'. This will need to be carefully defined to ensure that independent repairers are not placed at competitive disadvantage. **The OSBC recommends placing a requirement that manufacturers must not be able to charge a higher fee to external users than their own affiliated dealer networks or preferred repairers.**

The OSBC strongly supports the inclusion of a dispute resolution and mediation mechanism in the code. Independent dispute resolution will be a critical component of the scheme. It is important that the scheme be publicised to independent repairers to raise awareness of options available to address disputes with manufacturers.

Service and Repair Information Sharing Advisory Committee

The OSBC supports the establishment of a committee to ensure that the code is responsive to feedback and believes that the suggested membership is suitable. It marks an improvement on the voluntary scheme which has lacked oversight and the infrastructure to resolve issues.⁴ **The OSBC strongly supports the modified consensus approach mentioned in the paper to ensure that no member is able to veto decisions simply to protect the member's own interests.**

Next steps

The OSBC would welcome the opportunity to provide comment that is more comprehensive when further detail on the proposed mandatory scheme becomes available.

³ Office of the NSW Small Business Commissioner (2017) '[OSBC Submission to the Australian Competition & Consumer Commission's New Car Retailing Market Study](#)'.

⁴ Australian Competition & Consumer Commission (2017), '[New Car Retailing Industry: A market study by the ACCC](#)', p. 111.



The OSBC is active in assisting both independent repairers and insurers to manage their relationship and address disputes in the repair sector. The OSBC is therefore pleased to be part of efforts to improve the relationship between independent repairers and motor vehicle manufacturers.

The OSBC believes that alongside the issue of power imbalance between manufacturers and repairers, it is important to consider how insurers are able to give preference to their own repairer networks. This too represents a source of major disadvantage to independent repairers. Both of these issues will need to be addressed to ensure that independent repairers are competing with manufacturer or insurer preferred repairers on a level playing field.

To discuss this submission, please contact Blane Simpson, Advisor, Advocacy and Strategic Projects, on (02) 9338 6884 or blane.simpson@smallbusiness.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink that reads 'Robyn A Hobbs'. The signature is written in a cursive style with a large initial 'R'.

Robyn Hobbs OAM
NSW Small Business Commissioner
14 March 2019