

17 March 2017  
Australian Competition and Consumer Commission

By Online Submission

**RE: Submission: New Car Retailing**

The Commissioner,

Further from our initial submission and the stakeholder forum, you have requested an additional submission essentially covering three main areas:

**1. *Repair and Service information parts barriers, reasons for these barriers and the impacts upon consumers***

We have sought feedback from a selection of our customer base in relation to this question as they are the people that are dealing with the ultimate consumer and see the impact of the barriers on the customers. We provided them with a template in a bid to provide the responses to the questions that you put forward. The feedback is attached to this letter. This feedback has come directly from an array of small business owners and is provided to you as they provided it to us. They are not our examples or views, but those of these small business owners.

You will see from these submissions that the issues are widespread across the vehicle brands and across a number of model years. The submissions show impact on vehicle owners through the deliberate actions of various vehicle manufacturers to withhold information or prevent access to information.

**2. *Extent to which the types of information and parts with barriers in Australian market may be available in other jurisdictions (such as Canada, the EU or USA)***

We would refer to submissions made by the Australian Automotive Aftermarket Association ("AAAA") on this question in February 2017 and would suggest that these represent a comprehensive response to the underlying differences.

**3. *The effect to date of the industry agreement and associated codes on access to repair and service information and car parts, competition and consumers***

We would refer to submissions made by the Australian Automotive Aftermarket Association ("AAAA") on this question in February 2017 and would agree with their observations about the ineffective nature of this code.

Clearly the voluntary code is not working and regulatory intervention is required.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Mathew Cooper".

Mathew Cooper  
EGM Development  
Bapcor Limited

## ACCC Information Request - Response Template

**Business Name:** Midas Strathpine

**Location:** Strathpine

### Information/Part Type/OE Brand

Holden Colorado 2015 to current

### Description of Barrier

Customer was complaining of the oil consumption. The Midas store performed a number of checks to diagnose the excessive oil consumption

### Reasons for Barrier

Holden has realised a tech bulletin to Holden dealerships to change the oil specifications to eliminate fuel wash dilution causing the oil consumption issues.

### Impact (& magnitude) on competition

The withheld information causes the repairer to be unable to diagnose issues, therefore unable to provide a service to the customer

### Impact (& magnitude) on consumers

The withheld information causes workshop labour being unnecessarily invoiced to the customer and forces customer to return to the dealership, thus limiting the customer for choice for repairers for this vehicle

### Impact (& magnitude) on repair & service markets

Prevents the repair and service markets from offering an option as a repairer and leaves Holden as being the exclusive repairer

## ACCC Information Request - Response Template

**Business Name:** Andre Automotive

**Location:** Unit 3/46 Hilcrest Road

### Information/Part Type/OE Brand

2013 Kia Carnival

### Description of Barrier

Unable to code some new keys without 4 digit security code. Told by manufacturer that customer would need to go to dealer with registration papers to get the code

### Reasons for Barrier

This in my opinion to bring the customer back to the dealership for all repairs

### Impact (& magnitude) on competition

### Impact (& magnitude) on consumers

Was a major inconvenience for the mechanic and his customer having to visit the dealer

### Impact (& magnitude) on repair & service markets

Doing simple jobs becomes a headache for the retail consumer and the follow on to this aftermarket workshop is in the retail customer words to me .... I should have taken the car to the dealership in the first place. This is wrong and I believe restriction of trade.

## ACCC Information Request - Response Template

**Business Name:** Access Auto Electrics

**Location:** Heidelberg West

### Information/Part Type/OE Brand

VW Family

### Description of Barrier

Any programming or coding

### Reasons for Barrier

To ensure cars return to dealer

### Impact (& magnitude) on competition

Lost time trying then arranging sending car to Dealer

### Impact (& magnitude) on consumers

Greatly increased time off road and repair costs

### Impact (& magnitude) on repair & service markets

Lose time trying to unsuccessfully repair cars and then having to send out to dealers

## ACCC Information Request - Response Template

**Business Name:** Ballina Auto Electrics

**Location:** Balina NSW

### Information/Part Type/OE Brand

VW Golf 2010

### Description of Barrier

Key Programming

### Reasons for Barrier

Restricting charges / costs to be incurred via dealer only

### Impact (& magnitude) on competition

Customer charged excessively.  
Unable to complete vehicle repairs in house

### Impact (& magnitude) on consumers

Cost of vehicle tow  
Cost of dealer charges fo basic service

### Impact (& magnitude) on repair & service markets

Unable to provide simple/basic vehicle maintenace.  
Unable to have convenient customer satisfaction.  
Unable to generate income to survive.

## ACCC Information Request - Response Template

**Business Name:** Taplins Automotive

**Location:** 28 Edwards Streets, Camden NSW 2570

### Information/Part Type/OE Brand

2012 Holden Captiva Turbo Diesel

### Description of Barrier

Diagnosed the computer (engine) as being faulty as the car came in with a no start symptom. Holden had to program ECU.

### Reasons for Barrier

To make it hard for aftermarket workshops to survive

### Impact (& magnitude) on competition

We couldn't complete the job and the car had to be towed to Holden

### Impact (& magnitude) on consumers

Customer has lost confidence in my ability

### Impact (& magnitude) on repair & service markets

Customers don't want to take cars to dealerships due to high invoice costs compared to independent workshops

## ACCC Information Request - Response Template

**Business Name:** Taplins Automotive

**Location:** 28 Edwards Streets, Camden NSW 2570

### Information/Part Type/OE Brand

2009 Mini Cooper

### Description of Barrier

Couldn't program an electric window module (new unit)

### Reasons for Barrier

They don't want the aftermarket working on cars.  
To make even the simplest items hard to work on.

### Impact (& magnitude) on competition

Couldn't complete the job that it was booked in for. Therefore loss of income.

### Impact (& magnitude) on consumers

The customer was inconvenienced and had to go into the city and wait 3 weeks for dealer to finish the job.

### Impact (& magnitude) on repair & service markets

Customers lose confidence to our ability to do even simple jobs.

## ACCC Information Request - Response Template

**Business Name:** Austral Auto Electrics

**Location:** 117 Robey Street, Mascot NSW

### Information/Part Type/OE Brand

Mercedes Benz ML500 2012

### Description of Barrier

Electric window circuit.  
Scantool wouldn't scan, no wiring diagrams available

### Reasons for Barrier

So the customer has to take it back to the dealership

### Impact (& magnitude) on competition

Lost the job, customer wasn't happy that he had to waste more time

### Impact (& magnitude) on consumers

Customer had to wait 3 weeks to get a booking and ended up costing a fortune

### Impact (& magnitude) on repair & service markets

Not given the chance to repair the car. Customers lose confidence in aftermarket less work and less money to be made.



## ACCC Information Request - Response Template

**Business Name:** ABS Salisbury

**Location:** Salisbury

### Information/Part Type/OE Brand

Autotransmission Dipstick for Ssangyong Musso

### Description of Barrier

Vehicle does not have a autotransmission dipstick in order to check the level of the auto tranmission oil. You need to purchase a dipstick from Ssangyong. Ssangyong will not supply a dipstick without the vehicle being booked in for a service

### Reasons for Barrier

It railroads consumers into having to get there vehicle serviced at the Ssangyong dealers. Limited choice and competitive quotes for servicing

### Impact (& magnitude) on competition

Not allowing there to be any competition for servicing

### Impact (& magnitude) on consumers

The consumer does not have choice, they are restricted to have their vehicles serviced at the dealership which may not suit there location or timing or budget

### Impact (& magnitude) on repair & service markets

We don't get the business, lose business and repeat business as it prevents the store to rightfully be able to service the vehicle at the request of the customer

## ACCC Information Request - Response Template

**Business Name:** Midas Harbour Town

**Location:** Harbour Town South Australia

### Information/Part Type/OE Brand

Jeep Cherokee 2012

### Description of Barrier

Customer was phoning for quotes to survey pricing, the Midas store quoted as per what they thought was a log book service. Jeep had updated there service scedules and were therefore able to offer a cheaper price due to this

### Reasons for Barrier

Jeep has withheld changes to the service schedule and have not advised the market

### Impact (& magnitude) on competition

The withheld infommation has allowed Jeep to undercut competiotors log book service quotes

### Impact (& magnitude) on consumers

Consumers feel that stores not privy to the updates are overcharging and is restraining fair competitive bids

### Impact (& magnitude) on repair & service markets

Prevention of competitve bidding on like service

## ACCC Information Request - Response Template

**Business Name:** ABS Collingwood

**Location:** Collingwood, Victoria

### Information/Part Type/OE Brand

Subaru WRX

### Description of Barrier

Customer required a new clutch to be fitted and approached ABS Collingwood. They went ahead and completed the work. Some weeks later the customer took the car to Subaru Doncaster as the gear box had failed. Subaru removed the gearbox and blamed lack of lubrication for the failure so they would not warranty the gearbox, blaming ABS Collingwood for not replacing gearbox fluid when fitting the clutch. ABS Collingwood got the gearbox from Subaru and had it independantly inspected where they found that the gearbox had been mistreated by the owner, overheating of parts was not the cause as stated by Subaru.

### Reasons for Barrier

Dealership staff and service managers, not investigating the issue further before blaming another workshop.

### Impact (& magnitude) on competition

The issue was then resolved between the customer and ABS Collingwood, where they put in an insurance claim to help the customer with a replacement gearbox.

### Impact (& magnitude) on consumers

Consumers provided a lack of factual information from dealerships, thus lacking confidence in the repair and service markets

### Impact (& magnitude) on repair & service markets

Aftermarket repairers are having to repair the lack of trust by consumers by offering compensation to resolve the fix the issues

## ACCC Information Request - Response Template

**Business Name:** Midas Kippa Ring

**Location:** Kippa-Ring

### Information/Part Type/OE Brand

Mitsubishi Triton diesel

### Description of Barrier

Service Schedule states tappet adjustment every 30,000 Klm's

### Reasons for Barrier

OE manufacturers are offering customers an audible tappet noise test, therefore not advertising this information to the market

### Impact (& magnitude) on competition

Competition suffers as a result, as unaware retailers are completing a tappet adjustment, thus losing time on what should be an audible check.

### Impact (& magnitude) on consumers

Customer are mislead as the OE service schedule states that Tappets should be inspected and adjusted, so when aftermarket retailers are offering this as part of the service, then the customers lose out by having the work completed far longer than what a dealer can offer, as the dealer is not inspecting the tappet's

### Impact (& magnitude) on repair & service markets

Aftermarket retailers are being mislead on the correct timing required to service the vehcile, and are missing out on further work oportunities because they are completing the service to what the schedule is stating.

## ACCC Information Request - Response Template

**Business Name:** Midas Brighton

**Location:** Brighton

### Information/Part Type/OE Brand

Landrover Freelander 2 HSE 2013

### Description of Barrier

Landrover do not supply a paper format of the log book and log book service schedules

### Reasons for Barrier

Landrover are enforcing customers to return to Landrover dealerships for servicing and maintenance

### Impact (& magnitude) on competition

Restricts fair trade and competition by ensuring aftermarket retailers cannot quote or provide log book services

### Impact (& magnitude) on consumers

Customers are restricted by having to return the vehicle to a third party service provider earlier than they may have had to at a dealership this is because the third party service provider are not given accurate details of the service requirements by the manufacturer. These service providers are inadvertently giving customer false expectations on when the vehicle is due re-servicing.

### Impact (& magnitude) on repair & service markets

Aftermarket retailers are unable to quote and therefore provide an option for the customer. Retailers suffer as they are unable to service the customer, at the choosing of the customer. They are enforced to recommend reservicing time lines at shorter intervals

## ACCC Information Request - Response Template

**Business Name:** Midas Heathcote

**Location:** Heathcote NSW

### Information/Part Type/OE Brand

Mazda 3 (Build date 2/2010)

### Description of Barrier

Error code presented on vehicle was inconsistent with information third party service provider had to rectify

### Reasons for Barrier

Manufacturer monopolises vehicle servicing by not providing accurate information on how to fix error codes

### Impact (& magnitude) on competition

Customer sees error code and automatically assumes it can only be repaired by manufacturer Third party service provider unable to provide accurate quotation and guidance for repair and or fix of error code

### Impact (& magnitude) on consumers

Ultimately the consumer will lack the confidence to have their vehicle checked by a third party service provider as they are often unable to provide a solution for error messages

### Impact (& magnitude) on repair & service markets

Loss of consumer confidence due to error messages forces consumers to seek solutions via manufacturers

## ACCC Information Request - Response Template

**Business Name:** Midas Heathcote

**Location:** Heathcote NSW

### Information/Part Type/OE Brand

Hyundia/Kia/Volkswagon

### Description of Barrier

Actual log ook service information not avaiulble to third party service prvider

### Reasons for Barrier

Manufactuer monopolises vehicle servicing by not providing accurate information on how check for software updates and recall notices

### Impact (& magnitude) on competition

Customer automatically assumes it can only be serviced by manufactuer Third party service provider unable to provide the full requirments of the service and guidance for software updates and recall advice

### Impact (& magnitude) on consumers

Ultimately the consumer willll lack the confidence to have their vehcile checked by a third party service provider as they are often unable top provide a solution for software updates or recall notices

### Impact (& magnitude) on repair & service markets

Loss of consumer confidence due to not being able to provide the consumer with updates relating to vehicle servicing thus forcing consumers to seek servicing via manufactuerers

## ACCC Information Request - Response Template

**Business Name:**

**Location:**

Darebin

**Information/Part Type/OE Brand**

Subaru

**Description of Barrier**

Key Coding, PIN required

**Reasons for Barrier**

To ensure cars return to dealer

**Impact (& magnitude) on competition**

**Impact (& magnitude) on consumers**

**Impact (& magnitude) on repair & service markets**