

Emma Harper
Manager
Auto Care Ocean Grove
50 Grubb Road,
Ocean Grove. Vic
3226

Public Submission to ACCC Market Study into New Car Retailing.

What are the types of repair/service information and car parts with barriers which the cause most issues/greatest harm for your business and your customers?

Electrical components which require programming once replaced ie. Body Control Modules (BCM's)/Heater Integration Modules (HIM's), keys, dash clusters, etc. Whether purchased from the manufacture's dealer or the aftermarket, they need programming to "marry" them to the vehicle, yet we cannot gain access to the software required to do this simple task. In many cases we need to have the vehicle towed to a dealership for this to be done at a cost of time and money to our business and our customer. Another emerging issue is electronic log books, which whilst a modern, convenient and effective way to store service and repair data for the owner, they are only as good as the data entered into the system. Therefore, as a legitimate business carrying out correct and professional service and repairs to a customer's vehicle we need to have access to record this for the customer. We are prepared to invest in the tooling or software required to do this but we are not able to, to the detriment of our customer as per this example:

2013 BMW 116i – Presented for a 30,000km log book service. After performing the service as per the maintenance schedule by BMW we were unable to update the in-vehicle "idrive" log book to log the service items we performed. These vehicles no longer have a physical "paper" log book and customers and repair centres rely on the idrive system within the vehicles navigation system to know what the vehicle is due for in terms of maintenance items. Without having access to this database we were unable to log the maintenance items we performed on the vehicle (oil and filter change, brake fluid flush and air filter replacement) thus the next time the vehicle presents for a service, if taken elsewhere, it would appear these items were never replaced. This in turn could possibly lead to items being replaced again when not required and thus more unnecessary money spent by the customer.

What are the barriers to accessing repair/service information and car parts?

Whilst some information is made available in varying degrees from various manufacturer's this is incomplete in all cases we have come across. We are willing to pay fair rates for access to this information and we already invest significantly in tooling, equipment and access to data from third party sources. However we are limited by the extent to which the car manufacturers release information. For instance, the scan tools we use have software updates regularly but still don't have sufficient software to link into the vehicle systems and perform simple programming tasks. Yet, the same make and model scan tool in markets overseas have this software. We have been to trade exhibitions in the United States and seen this first hand. This is particularly an issue with European car brands. In many cases we are willing to buy the specific tool used by the manufacturer's dealer network but they are not available to us for purchase.

What justifications (if any) are given by manufacturers/dealers for these barriers, and why do you think these reasons are/are not valid?

In the main, manufacturers don't give justifications for this because they claim there is no problem. This is particularly evident with any public statements from the FCAI. At other times they use safety and/or security to justify these barriers. This justification is more prevalent when discussing these issues with a dealership when we are told we need to have the car brought to them for a part to be "initialised" or programmed. In many cases over the years, staff at dealerships with whom we have a

long term business relationship are willing to provide some information verbally. If we ask them to email or fax the information we hear things like “No, I can’t do that, I would lose my job”. We have noticed this more since the voluntary code commenced.

What are the impacts of these barriers on consumers/your business?

Can they be quantified? E.g. estimate the impact on your ability to compete, your costs of doing business and prices paid by your customers, the overall impact on your customers.

Some of the impacts can be quantified on a job by job or a week by week basis. For instance, where we diagnose a fault, replace a faulty part but can’t complete the repair because it needs to have a dealer installed code, we can calculate the cost in extra time spent arranging this, explaining it to our customer and the cost of towing or man hours delivering and retrieving a vehicle from a dealership. The nearest dealerships to Ocean Grove are over 20 Km away. In some cases we absorb these extra costs, at other times we pass the cost on to our customer. We pride ourselves on our customer service but adding hours or days onto a simple service or repair job affects this.

What is difficult to quantify, but is very real, is the long term effect on our business. We employ extremely competent, well trained people and invest heavily in ongoing training, tooling and data access, yet we are frustrated, inconvenienced and financially penalised by the current situation. What hurts most is we are made to look incompetent or “out of date” in front of our customers through no fault of our own.

What work arounds to the barriers do you use? What is the effect on your business, independent repairers generally and consumers of these work arounds (e.g. in terms of your costs, time to undertake a job, your ability to compete, your customers etc.?)

We sometimes rely on contacts made overseas (eg USA) to supply information. Information available through our network of similar independent businesses. Information gleaned from the internet on various forums and/or blogs.

Other times we rely on contacts within the manufacturer’s dealership network to pass on information.

At times we book a car into a dealership and pay to have a partial repair or partial service performed.

The effect on our business is reputational, operational due to the inefficiencies created and financial due to these inefficiencies and extra direct costs incurred.

The effect on independent repairers generally is similar to the above but it also tends to paint a picture of the automotive aftermarket being out of date or incompetent. It allows the manufacturer’s to unfairly portray independent repairers this way through advertising, marketing and press releases.

To what extent are these issues different/worse for regional repairers/consumers?

Higher cost involved in having a vehicle towed to dealership (closest dealership over 20km away, some makes only in Melbourne) therefore increased costs and time delays passed on to our customer. What can be an “in and out in a day” job becomes two to three days which obviously impacts the customer and hurts our reputation for prompt professional customer service. In some cases customers decide it is easier if they take all their business to the dealership and in another town, hence it impacts both them and our business.

An example is:

2011 Holden JH Cruze – Presented with dash cluster not working (odometer, speedo, etc). After much time spent researching the process to replace the faulty dash cluster it was determined that if we were to replace the dash cluster in house we would need to have the vehicle towed into the closest Holden Dealership (approx. 35km away) to have the new cluster programmed to the vehicle. This meant the customer would be without their vehicle for an extended period of time whilst repairs were undertaken and the vehicle was booked in to a Holden dealership for reprogramming (this can

sometimes be up to a 2 week wait for a booking). The customer would also then be liable for the unnecessary towing fee associated with the repairs.

The Heads of Agreement and related codes

- What effect has the Heads of Agreement had on your ability to access repair and service information?

The situation has been getting worse day by day so it seems the Heads of Agreement has had very little impact, if any. Some manufacturer have made some information more accessible but it is still limited information.

- Are you aware of any examples (general or specific) of where the Heads of Agreement and its dispute resolution mechanisms are not working well?

Not that I am aware of. We do not have experience of this process, because, as a busy small business with immediate issues to face with a vehicle in our workshop, we do not have the time or resources available to go through what would likely be a lengthy process with an unknown outcome.

In closing, I would like to say that I am in my mid-twenties and have my future and livelihood ahead of me in this business and whilst it is a very busy business today I am concerned as to how things will be in ten years from now if nothing changes with the monopoly situation the car manufacturers are pursuing.

Yours Sincerely,

Emma Harper
Auto Care Ocean Grove