



Tuesday, 24th October 2017

Australian Competition and Consumer Commission
Consultation Hub
New Car Retailing Industry - a market study by the ACCC

Email: newcars@acc.gov.au

Dear Sir / Madam

Supplementary submission - Access to technical information for new cars

1. Introduction

1.1 The Motor Trades Association Queensland (MTA Queensland or the Association) appreciates the opportunity afforded by the Australian Competition and Commission's (ACCC) request for a supplementary submission to clarify the Association's stance on access to proprietary technical information to the repair and maintenance of new motor vehicles in Australia.

1.2 Thank you for the courtesies extended to MTA Queensland during the consultations which provided the opportunity for an exchange of views arising from the submission to the ACCC's *New Car Retailing Industry - a market study* Draft Report.

2. Submission

2.1 The MTA Queensland in its submission responding to the new car market study, withheld its support for the draft recommendation 4.1 regarding access by third party repairers to technical information for the repair and maintenance of new vehicles. The Association indicated that a framework that facilitated access by independent repairers to proprietary technical information on fair and reasonable terms had merit. The MTA Queensland expressed a preference for a mutually agreed industry code of conduct and reserved its support for a mandatory code based on a statutory framework.

2.2 Amongst the reasons for arriving at this reservation was the European Union's (EU) experience with the implementation of the operation of a statutory mandate for access to vehicle repair and maintenance information usually referred to by the short title of the '*Euro 5 Regulation*'. The European Commission's Directorate for Enterprise and Industry undertook an evaluation of the effectiveness of the statutory framework to access vehicle repair and maintenance information, effects on competition, the internal market, environmental safety, protection of consumer choice and the effect on motor vehicle running costs. This evaluation was published in a Final Report in October 2014 entitled '*Study on the operation of the system of access to vehicle repair and maintenance information*'.

2.3 Several issues raised in this Final Report caused the Association to reserve its position, inter alia these included:

2.3.1 The extended length of time to implement the system of mandatory transfer of information.

Motor Trades Association Queensland

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2.3.2 There remain a number of unresolved legal arguments about basic concepts such as the meaning of 'fair and reasonable terms' and a resolution does not appear to be available in a reasonable time period. Further there are a considerable number of litigations pending in respect of 'Euro 5'.

2.4 Having regard to the EU implementation experience under a mandated statutory framework, the Association initially reserved its support. Subsequent to the one-on-one teleconference with the ACCC the Association undertook further extensive consultations with its Automotive Engineers Division (AED) which includes independent repairer's representation.

2.5 Although concerns remain, the considered decision by the AED is to support a statutory mandated framework developed by industry for the transfer of vehicle repair and maintenance information. The Association therefore withdraws its reservation.

2.6 The MTA Queensland would be grateful if the ACCC would note that that the Association unreservedly supports a statutory mandated regulatory framework developed by industry for the effective transfer of vehicle repair and maintenance information from OEMS to independent repairers.

3. The MTA Queensland Background

3.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State. There are some 15,000 automotive value chain businesses employing in excess of 90,000 persons generating up to \$21 billion annually. It is an industrial association of employers incorporated pursuant to the *Industrial Relations Act* of Queensland. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

3.2 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering all aspects of the retail motor trades industry through the MTA Institute (MTAI). It is the largest automotive apprentice trainer in Queensland employing 35 trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTAI last financial year accredited courses to more than 1,600 apprentices and trainees.

Thank you for your consideration.

Yours sincerely



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