



16 May 2018

Committee Secretary
Parliamentary Joint Committee on Law Enforcement
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

Submission: Inquiry into theft and export of motor vehicle and parts

The Australian Automotive Aftermarket Association (AAAA) appreciates the invitation to submit to the Parliamentary Joint Committee on Law Enforcement on the theft and export of motor vehicles and parts in Australia.

It is widely known within relevant government agencies, that the AAAA has advocated for the sharing of automotive repair and service information in the Australian market place for the past nine years. The Choice of Repairer consumer advocacy campaign is designed to encourage the Australian Government to mirror regulation in European Union and the USA to support consumer choice by mandating that vehicle manufacturers share full repair and service information with the independent repair sector on fair and reasonable commercial terms.

We acknowledge that in the past some car manufacturers have expressed unsubstantiated concerns that the sharing of some environmental, safety and security related technical information may result in an increase in car thefts. We would like to take this opportunity to respond to these concerns should they be raised during the course of this inquiry.

On December 14, 2017 the Australian Consumer and Competition Commission (ACCC) concluded in its New Car Retailing Market Study Final Report that a mandatory data sharing scheme should be implemented to allow independent repairers access to all the technical information held by car manufacturers required to repair and maintain vehicles. AAAA accepts and agrees with the conclusions and recommendations in this report. During the consultation period, car manufacturers submitted that denying access to security-related parts to anyone outside the authorised network was necessary to safeguard cars from criminal attack and to reduce incidence of car thefts and to protect intellectual property. The ACCC recognised the legitimate concerns of manufacturers and dealers relating to supply of certain parts. However, the ACCC concluded it did not appear necessary to limit access to certain parts to independent repairers to address security or intellectual property concerns. AAAA noted some parts deemed by manufacturers to be security-related in Australia (e.g. engine control units) being denied to independent repairers are routinely bought, fitted and initialised by independent repairers in North America and Europe (138).

The United Kingdom (UK) Royal Automobile Club (RAC) noted in a study that although car thieves are becoming better equipped with technology, **no link was drawn with the European Union (EU)'s**

technical information sharing regime. The ACCC found that in other EU member-states with mandated data sharing **car thefts have decreased**. For example, car thefts in the Netherlands continued a decade long downward trend and declined by nine percent between 2015 and 2016. Further, in Sweden, reported car thefts have declined by 62 per cent from 2007 to 2016, with a decrease of 7.8 per cent between 2015 and 2016 (123). In relation to Australia, data collected by the National Motor Vehicle Theft Reduction Council (NMVTRC) indicates in relation to electronic theft/hacking, where a car is stolen using solely software and specialised hardware without the car's key, there remains no evidence of electronic devices being used to defeat the security systems of vehicles stolen for short term purposes (124).

The ACCC New Car Retailing Report concluded the implementation of appropriate systems and a framework to enable the sharing of environmental, safety and security-related technical information, as has occurred in other jurisdictions, is likely to ameliorate the risks that such technical information could be used to assist in the theft of new cars (124). The report noted that car manufacturers and dealers argued that access should be restricted for certain parts which could compromise car security and encourage theft. However, the ACCC found a further motive for restricting access may be to steer more repair and service work back to authorised dealers and preferred repairer networks, and this can reduce competition for repair or servicing work and raise prices (139).

AAAA agrees with the ACCC report recommendations and would like to bring the ACCC report findings regarding vehicle theft to the Committee's attention. The security concerns raised during the inquiry relating to the sharing of technical information under a mandatory data sharing scheme, were addressed by the ACCC New Car Retailing Final Report and the concerns raised by some stakeholders were found to be unsubstantiated, provided there is an appropriate framework in place to share security related information. Furthermore, the ACCC found no evidence that there is a link between mandatory data sharing and vehicle theft.

The ACCC New Car Retailing Report can be found through this link:

https://www.accc.gov.au/system/files/New%20car%20retailing%20industry%20final%20report_0.pdf

I would be happy to answer any further queries or provide additional information to the Committee.

Yours Sincerely

Stuart Charity
Executive Director
Australian Automotive Aftermarket Association

AAAA: THE VOICE OF THE INDEPENDENT AFTERMARKET

The Australian Automotive Aftermarket Association (AAAA) is the national industry association representing manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, and providers of vehicle service and repair, and modification services in Australia.

2,250



Member companies represented by the association in all categories of the Australian automotive aftermarket

Members include major national and multi-national corporations as well as a large number of independent small and medium size businesses

\$1b

AAAA member companies export over \$1 billion worth of Australian-manufactured product each year



The parts and maintenance sector is a large and critical component of Australia's \$200 billion automotive industry

 40k

AAAA member companies employ more than 40,000 people



Member companies are located in metropolitan, regional and rural Australia

AAAA MEMBERS MANUFACTURE, DISTRIBUTE AND FIT MOTOR VEHICLE COMPONENTS THAT:

Are replaced regularly throughout the life of the vehicle because of normal wear and tear – e.g. oil, filters, tyres, wiper blades, spark plugs, bulbs, batteries and brake pads.

Last the life of the vehicle or are replaced irregularly during the life of the vehicle, usually as the result of a crash or a major mechanical failure – e.g. seats, instrument panels, engines, and transmission.

Are manufactured and distributed to service and maintain or enhance the appearance and performance of vehicles, including accessories, safety, comfort, appearance, entertainment and information, functional performance, body components, tools and equipment, mechanical, lubricants, additives and chemicals.

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