



Driving a better deal for consumers and independent mechanics

A Labor government will require car manufacturers to share technical information with independent mechanics on commercially fair and reasonable terms, with appropriate safeguards.

This reform will support smaller, independent mechanics to compete on fair terms with large dealerships.

It will deliver better choice to consumers and a level playing field for independent mechanics.

It will mean that local workshops, providing training and employment opportunities for apprentices, can take on more business and create local jobs.

It will ensure that communities in regional Australia and smaller towns that can't sustain a dealership can get access to the same technical support as customers in metropolitan centres.

The case for change

- New cars are like computers on wheels. Real-time access to digital files and codes, which vary from car to car, is needed to complete many aspects of a repair or service.
- Car manufacturers generally own and control this technical information and in many cases are the only sources for access.
- The voluntary code for sharing this data has failed. Independent mechanics are not getting timely access to technical information, making it hard for them to compete with authorised dealers and “preferred repairer” networks.
- As a result, customers who are reliant on repairers that can't get proper access to technical information and proprietary diagnostic tools suffer unnecessary costs like inconvenient delays and unexpected expenses.
- These effects are particularly pronounced in outer-metro and regional areas where there are fewer large dealerships, and they are further away.

Benefits to consumers, small business and apprentices

- By imposing a mandatory obligation to provide technical information at a fair cost, a Labor government will ensure Australian consumers benefit from a more competitive car repair and servicing industry.
- Research has shown that women tend to be quoted higher prices by mechanics, and that the problem was worse when there was little competition among repairers.
- Similar reforms in the United States and European Union have increased the availability of technical information and diagnostic tools needed to repair and service new cars.

- By ensuring independent mechanics can compete in the repairer market, we're also supporting small businesses that provide training and employment for apprenticeships, and regional jobs.
- Allowing independent mechanics to compete with dealerships will also increase demand for Australian-made aftermarket parts, which tend to be more affordable than the 'genuine' branded or proprietary parts dealerships use.
- Branded parts tend to attract a significant price mark-up. Independent mechanics tend to use aftermarket parts, many of which are both locally manufactured and cheaper. The law requires parts be fit-for-purpose.

How will Labor's plan work?

- The ACCC will maintain independent oversight of access to information to prevent any particular stakeholder exerting undue influence over terms and conditions, including fair and reasonable access fees.
- The ACCC will conduct a post-implementation review to ensure the policy operates as intended.
- The mandatory code has no cost to the Australian tax payer. The commercially fair and reasonable fees that mechanics pay for access, include the manufacturers' administrative costs.
- The ACCC would undertake enforcement within its current enforcement activities.
- Car manufacturers will continue to bear the administrative cost of facilitating access to service information. This is the status quo under the voluntary scheme. As the mandatory code will facilitate a much higher take-up rate than the voluntary code, increased fees from independent mechanics will ensure manufacturers are not worse off in maintaining the information portal for service and repairs.
- Mandatory information sharing will see more users accessing and paying for information.
- The independent oversight model would be responsible for price-setting (ensuring commercially fair and reasonable terms); safeguards for access to sensitive information (including access and vetting standards, access logs, unauthorised access); dispute resolution / arbitration; general enforcement of the regulation; and defining the technical information.
- Insurance groups have confirmed that the mandatory scheme is low risk, particularly with the safeguards on certain types of sensitive information recommended by the ACCC.
- Apprentice training would continue to operate under the safeguards of information access. Employers and training bodies are encompassed by the safeguards for access, and training would involve training in such safeguards.

Labor's approach to increasing choice and competition in the car service and repairs sector builds on recommendations made by the Australian Competition and Consumer Commission in its *New Car Retailing Industry Market Study - Final Report*.