

Australian Automotive Aftermarket Association Ltd A.B.N. 23 002 271 454

Suite 16, Building 3, 195 Wellington Road Clayton Victoria 3168 Australia

> Ph: 03 9545 3333 Fax: 03 9545 3355

Volume 16, Issue 2, March 2015

In this issue:

- Nigel Bishop joins the AAAA Team
- AAAA Awards Banguet & Breakfast
- The Future of Automotive Manufacturing in Australia
- ACCC takes action on Kia capped price servicing
- Mark Your Diary Asia-Australia Automotive Aftermarket Dialogue
- AAAA International Buyers Networking Reception
- Choice of Repairer Update
- Save the Date PRTC Networking Event Victoria
- NEW AAAA Member Service Trade Practices
 Hotline
- Ozaccom+ Australian Auto Aftermarket Expo 2015 - Travel & Accommodation Provider
- Editorial & Advertising Deadline for 4WD Special Publication and June Australian Automotive Aftermarket Magazine

Nigel Bishop joins the AAAA Team

We are pleased to announce the commencement of Nigel Bishop in the role of Northern Region Membership Development Manager, to be based in Brisbane.

Nigel comes to us from the Auto Parts Group where he held a range of marketing, communication and business development roles over a 12 year period.

Nigel has a very strong marketing and business development background, knowledge of the aftermarket, understanding of our government relations and advocacy activities as well communication and stakeholder relations experience.

Nigel will gradually take on the additional responsibilities of the role, including convening the 4WD Industry Council and maintaining our proactive relationships with Government officials and regulators in the Northern Territory, Queensland, New South Wales and ACT.

Nigel can be contacted on Mob: 0499 001 920 or Email: Nigel@aaaa.com.au

TICKETS SELLING FAST! Australian Auto Aftermarket Innovation Awards Breakfast & Australian Auto Aftermarket Excellence Awards Banquet!

With only 4 weeks to go, we have <u>limited tickets</u> <u>available</u> for both the Awards Breakfast and the Awards Banquet.

Sponsored by Hella Australia, the Awards Breakfast opens the program for the Expo with the presentation of the Australian Auto Aftermarket Innovation Awards.

This is an excellent networking opportunity to consider inviting your key clients to and escort them to the Expo to meet with you on your stand.

Sponsored by Burson Auto Parts, the Awards Banquet recognizes excellence in our industry and is an evening for you to enjoy with your industry colleagues and clients after day one of the Expo. The Banquet will feature former Olympic Gold Medallist Giaan Rooney as MC, a keynote address by Federal Small Business Minister Bruce Billson and guests will be entertained by comedian Dave Hughes.

To download booking forms, please go to <u>www.aaaa.com.au/eventlist.asp</u> or email <u>michelle@aaaa.com.au</u>.

As tickets will be allocated on a "first in" basis, we recommend you book ASAP to avoid disappointment.

PLEASE NOTE: If you have booked tickets but are yet to receive them, please contact Michelle at the AAAA Office on (03) 9545 3333.

<u>The Future of Automotive Manufacturing in</u> <u>Australia</u>

As part of the budget package last year the Federal Government introduced a Bill to reduce the total amount of funding for the Automotive Transition Scheme (ATS) by \$500 million and to terminate the Scheme on 1 January 2018. This Bill was blocked in the Senate by the ALP with support from the crossbench and the Senate launched an Inquiry into The Future of the Automotive Industry which will take place over the course of 2015.

In our dealings with a number of MP's and Government Departments involved in this process we believe that there is now widespread acknowledgement that just blocking the Bill to restore the ATS funding in its present form will not be an acceptable recommendation for two reasons. Firstly the ATS is undersubscribed and with the demise of car manufacturing in Australia, we can expect investment in R&D and capital equipment to continue to decline. And secondly, we need a vision for our automotive industry not just a managed exit of the car makers. Keeping our passenger motor vehicle producers here until 2017 is important, but what happens after that?

With this in mind, we have provided an Automotive Aftermarket Vision to the Senate Committee. We argue that it is now time to move away from the narrow view of the automotive manufacturing industry consisting of only 3 car manufacturers and their immediate suppliers and to embrace all aspects of automotive production including aftermarket parts and accessories, performance enhancement, performance modification, aftermarket safety components, 4WD components, special purpose vehicles, agriculture, mining vehicles, truck, bus, recreational vehicles and motorised personal vehicles.

Our submission includes some short term recommendations – including widening the eligibility criteria of the ATS to include aftermarket producers and expanding the Export Market Development programs to provide a significant and speedy boost to aftermarket manufacturing and export activity. We have also included a recommendation to commission an external study into the scope and growth opportunities in the non-passenger vehicle manufacturing segments of the Australian auto manufacturing industry.

In our submission we also describe some innovative ideas. The challenge for all aftermarket producers is to design, develop, manufacture and distribute high quality components that meet local and international design specifications. Compliance with design specification and compatibility with PMV systems requires access to the latest vehicles and test equipment and represents a significant cost and logistics barrier to small, agile and innovative companies. In our submission we describe our vision for the creation of an Australian Automotive Aftermarket Lab: A facility similar to that run by SEMA in the USA.

Australia also has a significant record in the design, engineering and manufacture of Performance Racing and Motor Sport technologies and components, and yet auto industry policy has not embraced this sector. We need to better understand how to leverage motor sport into motor sport We have recommended that manufacturing. government seek to fully understand the breadth and depth of this segment of the automotive industry and we have a vision for the creation of an Australian Motorsport Component Cluster - based on the Silverstone model in the UK.

This submission has been lodged with the Senate Secretariat and was posted on their website last Friday. To view the submission please go to: http://www.aph.gov.au/Parliamentary_Business/Co mmittees/Senate/Economics/Automotive_industry_ 2014/Submissions

We were asked to appear at the Public Hearings in Melbourne in March 2015.

We have had plenty of frustrations along our journey to gain appropriate Government recognition and support for our aftermarket manufacturers but the signals are definitely changing and we have our best opportunity yet to influence Government policy.

We will keep you updated on developments.

ACCC takes action on Kia capped price servicing

The AAAA welcomes the announcement by the Australian Competition and Consumer Commission (ACCC) on Monday 23rd February that they have taken enforcement action against Kia Motors Australia relating to their capped price servicing offer to consumers. Please go to https://www.accc.gov.au/media-release/accc-takes-action-on-kia-capped-price-servicing to read the full media release.

The AAAA has for some time been concerned with the increasing prevalence of these service programs in the Australian market and in particular their lack of transparency to the consumer. Following a detailed review of a number of "capped price" service offers from car companies, we identified a range of concerns with the compliance of many of these programs and we formally wrote to the ACCC last year. We followed this up with a second submission specifically on KIA Motors following the launch of their 7 year warranty and "capped price" service plan in September last year.

While the ACCC case against KIA specifically relates to the variable pricing aspect of their (so called) "capped price" offer, we believe this ACCC action is designed to send a strong signal to the entire car industry to ensure that their service offers fully comply with Australian Consumer Law. The final part of the release states The ACCC now intends to review other capped price service offers made to consumers by vehicle manufacturers to assess whether any similar issues arise.

The majority of mechanical workshops in Australia are small family owned businesses competing against multinational car companies with huge marketing budgets which makes for a very difficult competitive environment, so we need to ensure that the car industry are playing by the rules. As such we will continue to monitor and investigate all of these service offers and we will raise any concerns we have with the appropriate authorities.

<u>Mark Your Diary - Asia-Australia Automotive</u> <u>Aftermarket Dialogue</u>

AAAA & Export Network Members are asked to mark 11am - 2pm, Friday 17th April 2015 for the Asia-Australia Automotive Aftermarket Dialogue to be held at Level 5, Melbourne Exhibition Centre, 2 Clarendon Street, Southbank. Details relating to the final speakers are still being finalised.

Stay tuned for further information and a registration form!

AAAA International Buyers Networking Reception

The AAAA has been working closely with Austrade to identify and encourage targeted buyers interested in sourcing locally manufactured automotive parts, accessories, tools and equipment from a range of key international markets to attend the 2015 Australian Auto Aftermarket Expo.

This will include a group of targeted buyers and industry representatives from Thailand and Indonesia that are being invited to the Expo in an activity funded by Austrade as part of the Asian Business Engagement Plan.

This reception will formally welcome all buyer delegations to Australia and provide a valuable networking opportunity prior to the commencement of the Expo.

Places for this event, to be held on Wednesday 15th April, are limited and will be allocated on a first come first served basis so you are encouraged to register your attendance as soon as possible to avoid missing out.

You **MUST** register to attend this event and bookings must be received at the AAAA National Office by COB Friday 10th April 2015. To download a copy of the invitation and to register your attendance please go to <u>www.aaaa.com.au/eventlist.asp</u> or email <u>briana@aaaa.com.au</u>

Save the Date - PRTC Networking Event Victoria

AAAA & PRTC Members are asked to mark Friday evening 17th April 2015 for the PRTC Networking Event Victoria, Sponsored by Performance Racing Industry Show, to be held at the Level 5, Melbourne Exhibition Centre, 2 Clarendon Street, Soutbank. Details relating to the final speakers are still being finalised.

Stay tuned for further information and a registration form!

Choice of Repairer Update

The Australian Automotive Aftermarket Association (AAAA) Choice of Repairer campaign launched in 2009 achieved its aim when peak industry bodies signed a voluntary Automotive Repair Industry Data Sharing Heads of Agreement on 15 December 2014. This agreement directs each signatory to develop individual Codes of Conduct that are consistent with the Head of Agreement. We are currently consulting members, and drafting the Automotive our Aftermarket Data Sharing Code, and this activity is our highest government relations priority. Our current emphasis is on ensuring that we get our code right and preparing for the inevitable breaches of the code that are likely to occur over the next 12 -24 months.

In our consultation process we have met with repairers and the data & scan tool providers and we are learning a great deal about the behaviour of each individual vehicle brand. Our members have detailed the wide range of 'work arounds' that they use to find the information they need and it's very interesting to learn which of the car makers are cooperative and which ones consistently and resolutely refuse to share any information, even though their authorised repairers have refused to repair or service the car. During our discussions we have gathered some very interesting case studies of data requests that are refused by dealers and the vehicles importers. Even for vehicles that are over 10 years old.

The HoA makes provision for a Data Sharing Industry Steering Group and we are of the view that the first meeting of that group should examine each individual code and establish the infrastructure to be used to monitor industry behaviour – particularly price, the availability of data and a dispute resolution mechanism. We are also building the infrastructure to allow us to keep our own monitoring records on data sharing complaints in preparation for the Steering Group's 12 month review of the code.

The AAAA Data Sharing Code will be formally launched at the Auto Aftermarket Expo on the 16th April. Stay tuned for further developments.

NEW AAAA Member Service – Trade Practices Hotline

We a pleased to announce the launch of a new **FREE** AAAA member service, the **AAAA Trade Practices Hotline**. Working in conjunction with CCA Compliance Solutions, this service will assist businesses in identifying and meeting obligations under the Competition & Consumer Act and Australian Consumer Law. Members can access this **FREE** specialist hotline on **1300 369 703** for all your competition law and consumer law compliance advice.

This service will provide the following benefits to members:

- A dedicated **telephone hotline** service for all AAAA members <u>1300 369 703</u>
- Advice on key areas of consumer law compliance to include warranties, refunds (rights and obligations), consumer guarantees, consumer compensation for loss and damage etc.
- Advice on key areas of **competition law compliance** services relating to rights and obligations concerning competitive conduct.
- Regular educational **articles** in our publications.
- CCA can also provide **additional trade practices compliance training** for your company (additional costs associated).

For further information on this new free AAAA Member Service please email <u>info@aaaaa.com.au</u>.

Ozaccom+ - Australian Auto Aftermarket Expo 2015 - Travel & Accommodation Provider

Ozaccom+ has been appointed as our official provider for all your travel and accommodation needs for the 2015 Australian Auto Aftermarket Expo.

There are so many hotel and apartment options around the Melbourne Exhibition Centre, and Ozaccom+ have negotiated some fantastic rates, all of which are within a 15 minute walking distance of the Centre.

So, for all your accommodation needs for the upcoming Australian Auto Aftermarket Expo, please contact Ozaccom+ can be contacted toll free (from Australia) on 1800 814 611.

NB: If you receive correspondence from another provider be aware it is not supported by the Expo. We can confirm that Ozaccom+ are the exclusive travel and accommodation provider for our event.

Editorial & Advertising Deadline for 4WD Special Publication and June Australian Automotive Aftermarket Magazine

The **4WD** special publication of the Australian Automotive Aftermarket Magazine has a specific focus on the automotive aftermarket four wheel drive sector.

The **June Trade Edition** of the Australian Automotive Aftermarket Magazine will focus on the Australian Auto Aftermarket Expo 2015 Review, Safety, Business Services and Australian Manufacturing.

Both editions are an opportunity to promote your business to a highly targeted audience!

The ability to supply editorial to the Magazine for consideration is a free member benefit. If you have any relevant new products, product updates, services, events or industry news please send 200-300 words in a Word or Text file, plus a picture by the **<u>17th April 2015</u>** for the 4WD Special Publication & the June Trade Edition to <u>editor@aaaa.com.au</u>.

For all editorial and advertising deadlines please download a copy of the 2015 Media Guide from www.aftermarket.com.au