

MANDATORY DATA SHARING FINISH LINE IN SIGHT

I am very pleased to announce that the Legislation for the sharing of Automotive Service and Repair Information was introduced into the Australian Parliament on 24 March 2021, which begins the process of our Bill passing into Law.

We expect the Legislation to progress through the Parliament during the Winter sitting period, which runs from May to early September.

It was an incredible experience on that Wednesday morning to listen to the Assistant Treasurer, the Honourable Michael Sukkar MP, state in Parliament for the record that the government supports independent repairers and that a Law is required to ensure that consumers continue to have choice.

While this is not the end of this journey, we can clearly see the finish line from here. Introducing the Law means that the ball is rolling, and it will continue to its natural conclusion. What we witnessed that morning is the beginning of a process that cannot be stopped unless the government withdraws the Bill and there is certainly no sign of that happening.

Over the past few days, I have been speaking to many of my industry colleagues that have championed the cause for so long and the most frequent questions I am hearing are: what's included, what's not, and what are the AAAA's views on how well the new Law will deliver fair and open competition?

The simple answer is we are generally happy with the Legislation as it was introduced. We have a few concerns, and we are seeking clarification over some areas, but the previous draft contained some absolute deal breakers, and we were very pleased to see that our representations to Government were taken onboard and were addressed in the final version of the Legislation.

A good example is that the early draft stated that we would receive repair information within two working days. I think we know how that was going to play out, with independent repairers and their customers being made to wait the full two days for the required information. The updated Law puts an emphasis on data being supplied in real-time.

So, the Law is 95 percent there, but we have some areas to clarify as it continues on its path through both houses of Parliament. Let's focus on what I think are the top five things that I like about the structure of this legislation:

1. The principle of fair competition – it is very clear that independent repairers will get access to all information required to



service, repair and modify a vehicle. That's incredible. And we get that information on fair and reasonable terms. If we don't get it, the ACCC has the power to impose financial penalties of up to \$10 million per offence, so that is a big tick.

2. The establishment of an Industry Body to operationalise the scheme. This organisation will be jointly run by the FCAI, AADA, AAA, MTAA and AAAA and will operate a secure data release model, provide mediation, and dispute resolution services and provide regular feedback to Government on the operation of the scheme.
3. The scheme includes access to security information. This information will be subject to a vetting or registration process requiring evidence of skill and a likely police check – similar to the American model that has worked successfully for nearly a decade.
4. There is a clear definition of fair and reasonable commercial terms and a statement about accessible format – that means in a format that works in practical terms including pass through technology.
5. The Minister can make changes to the Act and to the Scheme rules if the car companies engage in activities that are designed to frustrate the scheme.

That final point is important because we could not possibly anticipate everything that car companies may do in the future and this clause means we don't have to. It is also important to





THE HON SCOTT MORRISON MP
Prime Minister
Minister for the Public Service

THE HON MICHAEL SUKKAR MP
Assistant Treasurer
Minister for Housing
Minister for Homelessness, Social and
Community Housing

**The Morrison Government is delivering for Australia's independent
automotive repairers**

Dear Sir/Madam,

The Morrison Government has delivered on our commitment to introduce legislation into the Parliament establishing a mandatory scheme for the sharing of motor vehicle service and repair information.

This means that, for the first time, car manufacturers will be required to make information about service and repair of their vehicles available for purchase by independent repairers and registered training organisations.

Under the legislation, information that car manufacturers share with their dealership networks must be made available to all independent repairers.

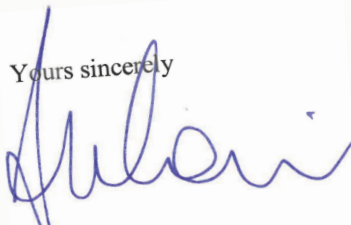
We are making this important change because the Government understands businesses and jobs like yours help contribute \$23 billion to our economy.

We are backing a stronger Australian automotive service and repair industry so your 35,000 businesses are kept busy, your 106,000 workers kept in jobs and 19.8 million vehicles are kept on the road.

The majority of vehicles on Australian roads will be captured by the scheme at its expected commencement on 1 July 2022.

This ground-breaking legislation will level the playing field for the automotive repair sector, increase competition and consumer choice and assist your industry to stay prosperous and employ more Australians.

Yours sincerely


SCOTT MORRISON


MICHAEL SUKKAR

Parliament House CANBERRA ACT 2600



note that the Law has a fixed commencement date of 1 July 2022. Whether it passes through Parliament in May or September is irrelevant as it will still commence next year on 1 July. To reinforce this point, the explanatory notes that accompany the Law make it very clear to the car industry that this date will not change and that they need to get their house in order.

I was recently asked to reflect on the ten-year journey to achieve this milestone and particularly about my strongest memories of the journey. I responded by reflecting upon the period of negotiating the voluntary code and

watching it fall apart. The voluntary agreement was never going to work – we knew that, but it was a step we had to go through at the time and we had to enter into it in good faith and with good will.

But it was truly a horrible experience. Arguing about the wording of that voluntary code line by line was tortuous. And after that agreement was signed, gathering all the evidence that the code wasn't working and having other parties dismiss that evidence and accuse me of grandstanding wasn't a pleasant experience.

You can't help but question your own behaviour when you are constantly the odd one out. At that time, we were accused of being idealistic, with the suggestion being that we needed to be more pragmatic. But throughout the process we didn't discount or deal away any of our demands and two things helped me to keep the faith:

Our international connections – car companies are multinationals and behave in a similar way in each market they operate in so fair access to repair and service information is an issue all over the world. As such, the argument that we should accept anything less than what independent repairers were already accessing in other markets was just unacceptable. If the dealers get it, then we get it. That's what they have in the US and Europe, and that's what I wanted here.

The commitment and common sense of our members – our members are smart and the car industry argument that all the repair information we

needed was already being shared was clearly wrong, because our members told us what was missing, and they told us that every single day. Despite the push back from the car industry, our members continued to tell us that we were on the right track – and to keep going. And keep going we did. The introduction of this Law into the Parliament is testament to what happens when you hold the line and walk the walk.

As a demonstration of the Morrison Government's commitment to this Legislation, we are delighted to publish an open letter to Australia's automotive repair and service community co-signed by Prime Minister Scott Morrison and Assistant Treasurer Michael Sukkar (refer opposite page).

Well done everyone – now the next phase of our journey begins. Watching this Bill become Law and ensuring that it delivers on its objectives.



The Honourable Michael Sukkar MP

STUART CHARITY
Chief Executive Officer