



David Bradbury MP

Assistant Treasurer

Minister Assisting for Deregulation

Media Release

IMPROVING CHOICE OF AUTOMOTIVE REPAIRERS FOR CONSUMERS

The Gillard Government has endorsed the need for a code of conduct between independent automotive repairers and car manufacturers to allow repairers access to the data they need to service modern cars, said Assistant Treasurer David Bradbury.

This is part of the Government's response to an inquiry by the Commonwealth Consumer Affairs Advisory Council (CCAAC) into choice for consumers in the automotive repair market.

The Government will ask the Chairman of CCAAC, Mr Colin Neave AM, to monitor industry-led negotiations on a voluntary code of conduct, with a report to Government by mid-year. If industry representatives fail to make substantial progress on the code by the end of this year, the Government will start a process to examine other regulatory options, including a mandatory code of conduct.

Today's modern cars are fitted with sophisticated computers that require special technical information in order to repair and diagnose problems. However, not everyone can access this information which makes it difficult, or sometimes even impossible, for smaller and independent repairers to diagnose and fix problems.

Consumers and repairers have been frustrated about the lack of access to technical information, with motorists increasingly forced to take their cars to dealerships for servicing.

"Consumers should have the right to choose where they take their cars for service and repair," said Mr Bradbury.

"Modern cars are highly sophisticated machines that require access to data to allow repairers to diagnose and repair them.

“It is a source of great frustration for consumers when they take their car to an independent repairer only to find they cannot complete a service, not because they lack the skills or equipment, but because they cannot access the required data and technical information.

“This means that consumers are often left with no other choice than to take their car to the nearest dealership. This can prove particularly difficult for consumers in remote and regional areas, where the nearest dealership may be hours away.

“I welcome the efforts of independent repairers and car manufacturers to work out a way that this data can be made available so that consumers have a genuine choice and I will be closely monitoring the progress of these discussions.

“I will also be asking the nation’s consumer affairs officials to develop an awareness campaign to educate consumers about their warranty rights.

“Under the Australian Consumer Law, suppliers have a legal obligation to guarantee the quality of goods and services.

“Any suggestion by car manufacturers that cars need to be serviced at a licensed dealer to maintain the owner’s consumer guarantee rights, is not correct.”

It is expected that an update on the voluntary code negotiations will be provided to Government mid-year.

For more information about the Government’s response to the CCAAC inquiry go to www.ccaac.gov.au.

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Media contact: Justin Koek 0400 126 939

Australian Government response to the Commonwealth Consumer Affairs Advisory Council's final report on the *Sharing of repair information in the automotive industry* (December 2012)

The Australian Government welcomes the opportunity to respond to the final report of the Commonwealth Consumer Affairs Advisory Council (CCAAC) on the *Sharing of Repair information in the automotive industry* released in December 2012.

Under its terms of reference, CCAAC examined whether there is any evidence of detriment to consumers and the market for automotive repairs as a result of the accessibility of repair information. CCAAC found that at present, there are a wide range of automotive repair services available to consumers and that there is a relatively low level of consumer detriment associated with the accessibility of repair information at this time. However, this could change over time if this became a barrier to entry to the market for the supply of automotive repair services.

On the other hand, CCAAC considered that relatively simple steps could be taken to improve access to repair information. The Australian Government understands that through its consultations, CCAAC also considered that there was appetite within the automotive industry to develop an industry-led outcome to this issue. CCAAC urged the industry to expedite current processes to develop an appropriate outcome in response.

The Australian Government recognises the importance of the automotive repair industry to Australian consumers. There is more than one motor vehicle in Australia for every two people, and automotive servicing and repair is an important aspect of motor vehicle ownership. As such, the Australian Government encourages the automotive repair industry to continue to work collaboratively with other industry participants to progress development of an industry-led outcome to this matter.