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

Dear Committee Secretary,

Inquiry into the Theft And Export of Motor Vehicles and Parts

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to provide input into the Parliamentary Joint Committee on Law Enforcement's inquiry into the Theft and Export of Motor Vehicles and Parts in Australia.

The AADA is the peak industry advocacy body exclusively representing franchised new car Dealers in Australia. There are around 1500 new car Dealers in Australia that operate about 3500 new vehicle outlets. The AADA's will restrict its comments in this submission to the issue of sharing of repair information and the concerning trend of counterfeit parts on the Australian market.

Our members sell new cars equipped with state of the art anti-theft technology. New cars are increasingly computerised and equipped with modern features which make them more challenging to steal.

Franchised new car Dealers through their service and repair departments also (when necessary) repair these anti-theft technologies, such as immobilisers. In order to conduct these repairs, new car Dealers work with their franchised vehicle Manufacturer to access electronic codes. These codes are naturally highly guarded due to the risk of them falling into the wrong hands.

The sharing of repair information such as electronic codes is currently being considered by regulators and the Federal Government. In December 2017, the ACCC handed down its final report into its market study into the New Car Retailing Industry. Among the recommendations was that 'A mandatory scheme should be introduced for car Manufacturers to share technical information with independent repairers, on commercially fair and reasonable terms'.

While the AADA supports efforts to develop a scheme to share service and repair information with the independent repair sector, we believe that the architecture of the

regulation should establish a thorough process to ensure that safety, security and emissions information is shared in a secure way. This view is shared by the National Motor Vehicle Theft Reduction Council (NMVTRC), an initiative of Australian Governments and the insurance industry, which develops and facilitates the implementation of strategic national responses to combat vehicle crime.

We will be working with the Federal Government and the broader industry to make sure that the sharing of a vehicles security information is subject to a thorough and secure process.

While not strictly part of the scope of this inquiry, the AADA would like to raise with the committee the growing problem of counterfeited parts being imported into Australia. A number of seizures of these fake parts has revealed that motorists who have no knowledge that a counterfeit part is fitted to their vehicle are vulnerable as they could face significant maintenance and repair costs. Furthermore, as these parts are not fit for purpose, they could pose a safety risk.

It can be incredibly difficult to tell the difference between genuine and counterfeit parts, and reports of the proliferation of these parts is very concerning.

A leading Manufacturer and importer of cars has been forced to initiate action against parts distributors following concerns about consumer and vehicle safety. The company considers that counterfeiting operations are becoming so increasingly sophisticated that nearly any type of commodity is now at risk of being copied.

In 2016 around 33,000 fake parts, with an estimated value of over \$1 million, destined for Australia were seized in a raid conducted by Chinese police acting on information provided by Toyota Australia. Recently, counterfeit oil filters and air bag replacements parts were detected and sold as genuine parts.

I thank you for considering our submission. Please feel free to contact James Voortman

Yours Sincerely,

David Blackhall
Chief Executive Officer