



Mercedes-Benz

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Mercedes-Benz
Australia/Pacific Pty Ltd.
A Daimler Company
ABN 23 004 411 410

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

Dear Ms Dunstone

Re: Theft and export of motor vehicles and parts

Mercedes-Benz Australia/Pacific Pty Ltd (**MBAuP**) welcomes the opportunity to make this submission in response to the Parliamentary Joint Committee on Law Enforcement (**Committee**) inquiry into the theft and export of motor vehicles and parts (**Inquiry**).

According to the Terms of Reference for the Inquiry, the Committee will examine the theft and export of motor vehicles and parts in Australia with particular reference to, amongst other things, "strategies by law enforcement and car manufacturers to reduce motor vehicle theft in Australia, including the use of new technologies".

MBAuP strongly supports the strategic deployment of strict law enforcement measures to prevent, identify and address vehicle and parts theft and rebirthing. MBAuP encourages regular consultation and open dialog with government on the creation and execution of such measures. As part of its day to-day activities, MBAuP diligently supports lawful police investigations.

MBAuP is also committed to ensuring the security of its vehicles, and employs a range of strategies to help reduce the risk of motor vehicle theft and the opportunity for stolen parts and vehicles to be remarketed or rebirthed. These strategies include:

1. **Anti-theft/security features** – Mercedes-Benz vehicles contain mechanical and electronic security technology to help protect them from unauthorised access, including factory fitted alarm systems and immobilisers. Mercedes Benz also offers optional anti-theft alarm with tow away protection and internal surveillance systems for many of its vehicles.
2. **Key replacement protocol** – only the owner or someone authorised by the owner of a Mercedes-Benz vehicle can order a replacement key for their vehicle. This is a strict process which requires evidence verifying the identity of the individual and current ownership of the vehicle, including original photographic ID and vehicle registration documentation.
3. **Access to theft relevant parts and information** theft-relevant parts are all items that could potentially be used to steal a vehicle or give a stolen vehicle an auspicious identity, including items such as keys, locks and various control units that communicate with keys that allow the vehicles to be unlocked and mobilised. MBAuP has a theft relevant parts and information policy (**TRP Policy**) that governs access to theft-relevant parts and information for Mercedes-Benz vehicles in Australia. The underlying principle of the TRP Policy is to ensure that the authorised vehicle user is the only person able to put his/her vehicle into operation. The TRP Policy includes safeguards

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and processes designed to ensure that this principle is adhered to, including providing that all theft-relevant parts can only be purchased through the Mercedes-Benz authorised dealer network following adherence to rigorous legitimisation and identification requirements.

Mercedes-Benz notes the Australian Competition and Consumer Commission's (ACCC's) findings in its 'New Car Retailing Industry' market study (December 2017) in which it expressed concerns around car manufacturers restricting access by repairers outside the dealer network to certain technical vehicle information and parts based on, amongst other things, perceived risks of increased car thefts. In particular, while the ACCC acknowledged that car manufacturers and dealers sometimes restrict access to certain parts for legitimate reasons that may benefit consumers, it also raised concerns that such restrictions could undermine the ability of independent repairers to effectively compete in the after sales market. While MBAuP strongly defends its strict approach to vehicle security and controls relating to access to theft-relevant parts and information, in order to seek a balance between maintaining an appropriate level of security for its vehicles and promoting fair competition in the after sales market, MBAuP recently updated its TRP Policy to allow non-authorised repairers to purchase theft related parts, provided that they work with the supplying authorised dealer to satisfy the identification requirements, ensure the vehicle and its VIN have been sighted and confirmed, and arrangements are made between them for the authorised repairer to assist with the installation if required. We consider that any residual inconvenience to independent repairers and consumers is clearly outweighed by the need to ensure that vehicle security and public safety are appropriately safeguarded.

At a global level, Mercedes-Benz will continue to design and develop its products with customer, public and vehicle safety and security front of mind. Today's vehicles are already carrying new technologies and features enabling greater levels of safety and security than ever before. For instance, some vehicles now contain automation and connectivity systems, allowing for new kinds of security related remote functionality, such as remote de-activation/immobilisation, 24/7 emergency call systems, geo-fencing and live car tracking. As these nascent technologies evolve, novel legal issues for car manufacturers will continue to arise, including in areas such as telecommunications, privacy and surveillance. With this in mind, MBAuP supports a nationally consistent and "technology neutral" approach to law reform. In the context of surveillance laws, as noted in the Australian Law Reform Commission's (ALRC's) report, "Serious Invasions of Privacy in the Digital Era" (September 2014) there is very little consistency in current state and territory laws dealing with surveillance. The ALRC supports the introduction of technology neutral and nationally consistent laws governing surveillance. Having inconsistent legal frameworks in Australia in these areas places a significant compliance burden on car manufacturing for the local market and has the potential to stifle innovation in areas including vehicle security by forcing car manufacturers to have to somehow accommodate all state and territory laws, no matter how inconsistent, in the supply of their vehicles, or alternatively some features will not be made available to the Australian market, meaning Australian consumers do not get the latest, best or safest products and services available.

Thank-you for the invitation to provide this submission and please let me know if you would like any further information on these issues.

Yours sincerely,

Horst von Sanden
CEO and Managing Director
Mercedes-Benz Cars