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Submission to the Senate Select Committee on Productivity in Australia

1. Introduction

The AAA welcomes the opportunity to contribute to the Senate Select Committee on Productivity in Australia's inquiry into national productivity.

The AAA is the nation's peak motoring body, representing Australia's state-based motoring clubs (the NRMA, RACV, RACQ, RAA, RAC, RACT and the AANT) and their more than 10 million members. It is an apolitical and technology-neutral advocate for federal transport policy that improves safety, equity, and sustainability.

Transport is a key enabler of a productive economy and has a material impact on the lives, livelihoods and amenity of Australian families and communities.

This AAA submission focusses on two main issues critical for improving productivity:

- Australia's regulatory burdens that limit productivity
- effectiveness of Australia's competition policy.

In this context, the AAA offers the following recommendations:

1. The Australian Government expand Australia's Consumer Data Right laws to include vehicle generated data
2. The Australian Government update its Motor Vehicle Information Sharing Scheme to facilitate access to telematics data.

2. Australia's regulatory burdens that limit productivity

2.1 Consumer data rights

Data is now collected across almost every aspect of daily life and leveraged by organisations to generate economic value. The volume of data produced has grown exponentially over recent decades, and emerging technologies, such as artificial intelligence, are unlocking new applications and opportunities for value creation.

However, while organisations can monetise, trade and share this data[1] with relative ease, it takes considerably more effort for consumers to access or share their own information.

Recognising the broader economic and productivity benefits of data sharing, the Federal Government introduced the Consumer Data Right (CDR) in 2020. The CDR provides consumers with the right to securely access and share their data with trusted third parties, such as businesses or service providers, enabling more informed decision-making and improved outcomes. The framework is currently operating in the banking and energy sectors where it aims to give consumers greater choice and control over their data and promote competition.

[1] Fernandez, RC, Subramaniam, P and Franklin, MJ 2020, Data market platforms: trading data assets to solve data problems, arxiv.org/abs/2002.01047.

There is a strong case for expanding the CDR to other parts of the economy. Deloitte's *Consumer Data Revolution* report estimates that extending the CDR could increase the size of the

> *Australian economy to be $16.7 billion larger by 2043 if the CDR expands beyond banking and energy sectors. Further, approximately 46,800 additional jobs can be expected by 2043 from the combined effect of greater competition and innovation by enabling cross-sector data sharing.*[2]

The Productivity Commission has similarly recognised the economy-wide benefits of improved data access. In its *Harnessing Data and Digital Technology* final inquiry report, the Commission found:

> *Better data access will benefit people and businesses and promote competition and innovation across the economy. Easier access to the data that relates to you – and the ability to share it with trusted third parties – could lead to more personalised, innovative services that boost productivity and help you make better decisions.*[3]

New vehicles are collecting ever-increasing amounts of data about the vehicle; the driver and other occupants of the vehicle; how the vehicle is being driven, and the vehicle's surroundings. As the data collectors, vehicle brands are required to inform the vehicle owner about the types of data being collected, the purpose for which it is collected, how it is stored, and to which third parties it may be provided.

However, the privacy policies of many vehicle brands are vague and ambiguous, leaving consumers in the dark about what data is being collected, what is done with it, and the choices they have regarding the collection and sharing of data.

Vehicle brands have the exclusive ability to access and control the flow of all connected vehicle data (collectively referred to in this submission as "telematics data"). This creates a power imbalance, resulting in negative impacts for the consumer and the economy more broadly.

The AAA is concerned that the current regulatory environment with respect to vehicle generated data:

- gives vehicle brands unfettered ability to monetise vehicle generated data
- threatens consumer choice and fair competition in the aftermarket for service and repair, potentially limiting supply of services and increasing costs
- constrains economic innovation, the development of new technology and product offerings for consumers
- reduces access to data that could enhance the delivery of government services.

The tight control of data by vehicle brands and the resulting dampening effect on competition is denying consumers the chance to shop around and holding back small and/or independent businesses from the marketplace in which data can be used.

Regulators face a challenge to ensure they keep up with the pace of technological change.

This is an economy-wide phenomenon that applies to motoring, but also to many other sectors where new technologies have supplanted consumers rights and/or reduced competition and productivity. The challenge for regulators is to catch up to (and stay ahead of) technological change to ensure it advances the public interest.

The AAA believes that economy-wide access to data can play an important role in Australia's economic reform agenda.

2.2 Vehicle Generated Data

With vehicle technology rapidly evolving, regulatory settings must adapt so that they remain fit for purpose. The rise of connected vehicles is one such technological advancement, offering

[2] Deloitte, Consumer Data Revolution: Empowering Australia's Future, March 2024

[3] Productivity Commission, Harnessing data and digital technology, p52

benefits in terms of competition, convenience, innovation and safety, however access to data and the associated benefits is controlled by the vehicle manufacturers.

This poses a challenge for regulators to enable fair and safe consumer access to the large amounts of data generated by their vehicles and facilitate increased competition, choice and innovation through new services or product offerings. Extending the Consumer Data Right to vehicle data addresses this challenge.

"Connected vehicles" are those with embedded internet connectivity, equipped with various sensors and cameras that collect data. These vehicles can send and receive data to/from systems outside the vehicle, enabling features such as over-the-air software updates and diagnostics, vehicle location and tracking services, and the ability to notify emergency services if the vehicle is involved in a serious collision.

Telematics technology allows connected vehicles to share information relating to:

- vehicle components (e.g. battery status, vehicle performance information, fluid levels, diagnostic data, error codes)
- the driver (e.g. audio/video dialogues, driving style, speed) and
- the surrounding environment (e.g. coordinates, traffic, weather).

Connected vehicles accounted for approximately 25% of new sales in Australia in 2024 and this is expected to increase to 93% by 2031.[4]

As more vehicles become connected, telematics will replace the traditional onboard diagnostic port (OBD) as the primary way to access vehicle-specific data and diagnostic information.

Ensuring access to this information is not restricted is an important issue now and into the future to ensure ongoing choice and competition in the motor vehicle service and repair market.

AAA believes that consumers should have the right to benefit from the data generated by their vehicle.

International experience

The untapped data from these devices could be captured to enhance economic productivity, as has been the case in overseas jurisdictions, most notably the European Union.

The European Data Act, which came into force from 12 September 2025, sets a global benchmark for realising the potential value of data in the economy by giving consumers access to their data. As a result, it will be important for Australia to keep pace with this reform if it wants to truly revitalise national competition policy and realise the productivity gains offered by data.

The EU Data Act focuses on key areas:

- Data access and sharing obligations imposed on manufacturers of connected products and providers of related services; and
- Switching rights for customers of cloud services.

The EU Data Act allows users (i.e. any legal or natural person who owns, rents or leases a connected product) to access the data that they generate through their use of the connected product or related service. If the user wishes to share this data with another entity or individual (third party), they can either do so directly or they can ask the data holder to share it with a third party of their choice.

The data holder is typically the company that makes the connected product or that provides a related service. A data holder must have a contract with the user (e.g. sales contract, rental contract, related service contract, etc.) defining the rights regarding the access, use and sharing of the data that is generated by the connected product or related service. It is important to

[4] Austroads, *Future Vehicles Forecasts Update 2031*, Research Report AP-R654-21, September 2021.

note that the data holder cannot use any non-personal data generated by the product without the user's agreement.

Under the EU Data Act, the data holders grant access only to 'raw' and 'pre-processed' data, including the accompanying metadata necessary to interpret and use the data. By contrast, information inferred or derived from such data is considered out of scope of the Data Act.

Raw data in this sense, refers to data that has not been substantially modified and is automatically generated by vehicle sensors or systems without further processing. This includes data relating to vehicle performance, use and operating environment during normal use, such as GPS location, sensor signals, raw image data, vehicle speed, battery and fluid levels, and manufacturer-specific error codes indicating hardware status or malfunctions.

Pre-processed data refers to data that has undergone limited processing to make it understandable and usable for subsequent analysis, without altering the meaning of the underlying information. While such data may be normalised, filtered, calibrated, aggregated or reformatted, it continues to reflect real-world events or conditions as captured by vehicle systems, such as temperature, speed, acceleration and position. Importantly, pre-processed data does not constitute new or proprietary insights.

So as not to deter businesses from investing in data-generating products, the Data Act gives users and third parties the right to access raw and pre-processed data to build competitive offerings but keeps derived/proprietary insights protected so data holders don't have to hand over their internal analytics or IP. This includes predictions of future events or conditions that involve uncertainty (e.g., trajectory prediction, ML-based predictive maintenance) which remains out of scope under the data act.

This calibrated approach protects the IP of the manufacturers while enabling users and third parties to build competitive services using vehicle data. This provides a practical model for data access reform that balances consumer rights, data holder interests, competition and investment incentives.

3. Effectiveness of Australia's National Competition Policy

The Motor Vehicle Service and Repair Information Sharing Scheme (MVIS) is a world-leading government-mandated information-sharing scheme, but it must adapt to remain relevant to technological advancements.

The purpose of the MVIS is to *promote competition in the Australian automotive sector and establish a level playing field for repairers*[5].

The AAA was a strong advocate for the establishment of the scheme in 2021 and continues to champion its importance in facilitating fair competition and consumer choice in the automotive aftermarket repair and service industry. However, with vehicle technology rapidly evolving, regulatory settings must adapt so that it remains fit for purpose.

In February 2026, The Treasury published its report into the Review of the Motor Vehicle Service and Repair Information Sharing Scheme[6] making 11 findings.

Finding 8 states t*he emergence of telematics and automated driving systems is not materially impacting independent repairers' ability to compete at this time. However, continued collaboration across industry is required to ensure the scheme's early competition and productivity benefits are retained as this technology is deployed further.*

While this finding acknowledges telematics as an issue, the AAA believes updating the MVIS to improve access to telematics data must be prioritised in order to prevent negative consumer and competition outcomes associated with carmakers retaining control over who can access telematics and the data generated by new vehicles.

[5] https://treasury.gov.au/motor-vehicle-service-and-repair-information-sharing-scheme-factsheets

[6] https://treasury.gov.au/publication/p2026-740225

3.1 Importance of bringing telematics into the MVIS

As more vehicles become more connected, telematics will replace the traditional onboard diagnostic port (OBD port) as the primary way to access repair data. Without access to the telematics data, independent repairers risk losing visibility and access to the very systems they need to service.

At the moment, vehicle brands with connected vehicles have a significant advantage over the market in respect to predictive maintenance, with the ability to proactively contact the consumer first to advise of upcoming maintenance requirements.

Telematics data enables insights into vehicle and driving behaviour, such as vehicle sensor data and recent driving performance, enabling repairers to remotely access information to more accurately diagnose issues and address vehicle needs.

For example, if a customer reports high fuel usage, access to telematics data could enable a repairer to understand how the vehicle is being driven, fuel to air ratios and the presence of any fault codes before the vehicle is physically inspected.

Another example is the testing and calibration of a vehicle's Advanced Driver Assistance System (ADAS), such as a lane support system. Calibration of system hardware, such as windscreen mounted cameras, requires a live data stream. Without access to this data, independent repairers cannot perform this work effectively. This not only affects the costs borne by the consumer but could potentially render safety systems ineffective.

International experience

Globally, many car makers will continue to resist wider access to telematics data, arguing cybersecurity risks and intellectual property concerns. The AAA recognises that protections need to be put in place, but as a technology receiver, Australia can learn from the experience of policies and legislation overseas in dealing with securely enabling access to data.

The 2023 European Court of Justice (ECJ) ruling in the dispute between ATU and Carglass v Fiat Chrysler Automobiles (Fiat) underscores the need for a level playing field when it comes to access to data within the automotive industry.

The dispute emerged from Fiat's utilisation of security gateways which imposed additional technical requirements and costs on independent repairers seeking access to vehicle data. To carry out their work, independent repairers were compelled to navigate a complex landscape, including logging in via manufacturers' portals, maintaining paid subscriptions for multi-make diagnostic tools, and staying connected throughout repairs to access the car data stream through the OBD port.

The ECJ rejected the long-standing arguments put forward by vehicle manufacturers, which asserted that security gateways were essential for vehicle security and compliance with EU type-approval regulations. The judgment made clear that security gateways implemented by vehicle manufacturers under the pretext of cybersecurity are not only unfair and disproportional but also incompatible with EU legislation. The case sets a precedent that opens the door to enhanced accessibility, competition, and innovation within the automotive sector.

In the United States, the state of Massachusetts has led the way in "right to repair" reforms. Massachusetts first adopted a motor vehicle Right to Repair Initiative in 2013. In 2014, the automotive industry in the United States agreed in a voluntary memorandum of understanding to expand the Massachusetts provisions to cover the entire country.[7]

Initially the Massachusetts Right to Repair Initiative exempted a vehicle's telematics system from the scheme, however the state passed the Data Access Law by referendum in November 2020, which expanded the Right to Repair Initiative to require vehicle manufacturers to create and

[7] "Right to Repair" Memorandum of Understanding, 15 January 2014, accessed at https://www.autosinnovate.org/about/advocacy/right-to-repair/2014%20R2R%20MOU%20as%20signed.pdf

implement an onboard, standardised diagnostic system that would be accessible to everyone with or without the manufacturer's permission.

Access to mechanical data was given to owners of vehicles equipped with telematics systems and independent repair facilities through a mobile device application, which facilitates remote, real-time, bi-directional access to data.

Vehicle manufacturers challenged the state Data Access Law, however the US Federal Court rejected the challenge and upheld the telematics Right to Repair law in a landmark decision.

Digital logbooks and access

Traditional physical car service logbooks are being increasingly replaced with digital, online logbooks and service histories.

Currently, vehicle brands control access to these digital logbooks, which leaves independent repairs – and vehicle owners - at a disadvantage. Some service history may be able to be viewed from digital systems inside the vehicle, however there is currently no right for consumers to grant permission for an independent repairer of their choice to have access to the full service record.

Not having access to a vehicle's service history further exacerbates the uneven playing field independent repairers experience in competing against branded dealerships. It reinforces the narrative that the original dealership or vehicle brand is best placed to service that vehicle.

Finding 7 of report into the Review of the Motor Vehicle Service and Repair Information Sharing Scheme[6] states

The adoption of electronic logbooks is an emerging challenge for independent repairers. Regulated access to these records would ensure independent repairers are not disadvantaged in the transition to digital records and enable complete vehicle service histories to be efficiently maintained.

The AAA supports this finding, however, considers digital logbooks to be an example of the broader issues associated with consumers accessing their data. Not only do authorised service and repair workshops need access to a vehicle's digital record, but so too do the consumers who own the vehicle.

For example, individuals seeking to sell (or purchase) a vehicle with a digital logbook are currently at a disadvantage by not having access to the entire service history of the vehicle. This lack of transparency impacts consumer confidence and competition.

The lack of access to digital logbooks also limits potential innovation and product development that could benefit consumers and the broader economy. For example, data captured in digital logbooks could be used by third parties to develop pre-sale reports on individual vehicles that consumers could use for trade-in or private sale purposes.

Digital logbooks are a specific example of restricted access to vehicle information impacting competition, consumer transparency in the marketplace, and innovation.

The AAA believes updates to the Motor Vehicle Service and Repair Information Sharing Scheme to include improved access to telematics data should be prioritised alongside updates to facilitate access to vehicle digital logbooks.