

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Australian Competition and Consumer Commission

**Question No:** 48

**Topic:** Independent Mechanics

**Reference:** Written

**Senator:** Ketter, Chris

**Question:**

1. Independent car service and repair businesses claim that most manufactures are restricting access to the standard service information. This is despite the Voluntary Code of Practice-Access to Service and Repair Information for Motor Vehicles, which was released by the Federal Chamber of Automotive Industries two years ago.
2. Do you agree that manufacturers limiting access to standard servicing information for independent service and repair businesses inhibits competition?
3. The Government promised to review the voluntary code by September 2016. Then it promised to review the code by October 2016. Now, in a letter to the Shadow Assistant Treasurer, the Treasurer, Scott Morrison, said that the government doesn't have to do anything, because the ACCC is looking into it. Is the ACCC looking into this issue?
4. When did the ACCC begin looking into this issue?
5. What will the ACCC do in regards to this issue?
6. Will the ACCC make recommendations to the Government on this issue?
7. Why is it taking so long for this issue to be addressed?
8. What could the ACCC do within its powers to address this issue?

**Answer:**

- 1-3. The ACCC is undertaking a market study into the new car retailing industry which is examining a range of issues including the availability of access to technical data and other information to repair and service new cars, including the effect on competition and consumers. <sup>1</sup> This includes examining the effect of the voluntary industry Agreement on Access to Service and Repair Information for Motor Vehicles as well as the voluntary code of practice released by the Federal Chamber of Automotive Industries. <sup>2</sup>
4. The ACCC announced it was commencing a market study into the new car retailing industry on 17 June 2016.
5. The ACCC expects to release a Draft Report outlining findings and recommendations for the study in August 2017.
6. It is open to the ACCC to make recommendations.
7. In June 2016 the ACCC commenced examining access to repair and service information and data. However, the ACCC's examination of this particular issue is part of a wide ranging market study into the new car retailing industry.

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<sup>1</sup> ACCC, ["ACCC launches market study into new car retailing industry"](#), 17 June 2016, at p.1.

<sup>2</sup> See ACCC, ["Issues Paper – New car retailing industry – a market study by the ACCC"](#), October 2016, at p.26.

8. The ACCC's role is to enforce the *Competition and Consumer Act 2010*, and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians. The ACCC employs a range of flexible and integrated strategies to achieve its compliance and enforcement objectives, including by litigation and other formal enforcement outcomes where appropriate.<sup>3</sup>

Whether this issue should be regulated at an industry wide level is a policy decision for the Government.

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<sup>3</sup> ACCC, ["2017 ACCC Compliance and Enforcement Policy"](#), February 2017, at p.2.