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MEDIA RELEASE

14 December 2017

ACCC Market Study confirms need for automotive action – now let's get on with it

The Motor Trades Association of Australia (MTAA) today welcomed the final report of the Australian Competition and Consumer Commission's (ACCC) 18 month Market Study into New Car Retailing and urged industry and government to now get on with adopting the recommendations and actions.

MTAA and State and Territory Member Associations advocated strongly for the ACCC to:

- Further investigate manufacturer and dealer relationships, and in particular dealer agreements, following the release of the draft interim report in August 2017, which in the opinion of MTAA presented an unbalanced view and unfairly portrayed dealership accountability in consumer guarantee and warranty matters in particular;
- Confirm the impact and identify a solution to ensure fair and reasonable access and use of technical and repair information for independent mechanical and motor body repairers;
- Examine concerns surrounding proposed changes to Australian Consumer law definitions of major and minor faults, among other issues.

MTAA CEO, Richard Dudley, said the Federation and State and Territory Association Members were pleased the ACCC final report has largely addressed these critical issues and called on the Federal Government to support the recommendations and for Government and Industry to get on with implementation.

'As the nation fast approaches a national fleet of 20+ million vehicles by 2020, consumers must be assured there are sufficient numbers of automotive businesses across all sectors, that are not constrained in providing the ongoing sale, service and repair capability they will require and that appropriate protections for consumers and industry participants alike are in place.

'We can no longer afford ongoing debate and procrastination in a rapidly changing industry and MTAA urges the Federal Government to not only support the ACCC recommendations, but for relevant Ministers to call on the automotive industry to action those recommendations within their remit and within defined timeframes,' Mr Dudley said.

MTAA thanked the ACCC Study team for heeding the call of thousands of MTAA Member automotive service and repair businesses for surety and fairness in accessing technical and repair information.

'MTAA and Members will now turn attention and resources to the immediate action required to address the ACCC recommendation for a mandated scheme to ensure access to technical and repair information by all sectors participants and independent repairers in particular. MTAA believes this mandated scheme, complete with an accreditation process or safeguard, must be developed and determined by mid-2018 for implementation by 1 February 2019 following consideration by regulators and Government,' Mr Dudley said.

MTAA congratulated the ACCC for acknowledging the MTAA and Member's representations and expressed concerns regarding the relationship between manufacturers and dealers and that the final report had more properly recognised and placed accountability with manufacturers, particularly in regard to consumer guarantees and warranty.

'MTAA also welcomes and strongly supports the ACCC finding that further investigation should be undertaken into a range of elements of the commercial relationship between manufacturers and dealers and dealer agreements,' Mr Dudley added.

MTAA still has concerns regarding the definitions that will be applied to minor and major faults and related consumer guarantee matters and will continue to raise its concerns with Government particularly during further consultation processes scheduled in 2018.

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