

7 June 2024

# AAAA Response to the Public Consultation on Automated Vehicle Safety Reforms.

On behalf of our members, the Australian Automotive Aftermarket Association (AAAA) welcomes the opportunity to make a submission to the public consultation on Automated Vehicle Safety Reforms.

The automotive aftermarket industry plays a pivotal role in maintaining, repairing, and ensuring that vehicles on Australian roads are fit for purpose and safe for Australia's unique climate and conditions. Across our network of over 27,000 workshops, there are over 90,000 employees that provide these services to the 19 million vehicles on Australian roads. The evolution of our car parc toward alternate fuels and new mandatory Australian Design Rules for Advanced Driver Assistance Systems encouraged many of our workshops to upgrade their spaces and invest in the equipment and technology to meet the complex future demands. While fully autonomous vehicles are not currently on public roads in Australia, AAAA agrees that reforms should be in place before a large-scale introduction to give businesses certainty of what will be required to service, repair, and modify these vehicles. An important and relevant aspect of our technology evolution ecosystem is the increasing specialisation of ADAS calibration services. New global ADAS Calibration services are successfully entering and embedding a new sector in our market, and the pace of this new and emerging sector has increased over the past 12 to 24 months. This is a quickly evolving industry landscape and we point this out early in our submission because we have a sense that the NTC may be considering a dichotomy between OEM and the Aftermarket that is being bridged by ADAS specialist providers that have more expertise than the OEMs and are patronised by both the authorised dealers and the aftermarket industry.

It is this false OEM/Aftermarket dichotomy that drives the uncertainty regarding the competence of the independent aftermarket and hence the recommendation that repairers and modifiers must seek endorsement or approval from the OEM. We know from our fight for full access to vehicle service, repair and modification technical information that an OEM is never going to willingly give permission to a service provider that operates outside of their ecosystem. That's the experience in Australia, in Europe, America, South Africa and the key Asian auto markets. The OEMs do not authorise

providers outside of entities in which they have a commercial relationship. They don't make a profit from doing so and they don't have the expertise or the footprint to be able to accredit the independent aftermarket. This is why, after careful consideration, the AAAA recommends that it is essential that the process for independent service, repair, and modifiers to attain approval from the Automated Driving System Entities (ADSEs) must comply with the Competition and Consumer Act 2010. We are pleased to see that this is being considered by the NTC by seeking feedback on requirements that ensure that ADSEs **must not unreasonably withhold authorisation from repairers, maintainers, and modifiers.**

We support the intent behind the proposed measures to enhance competition; however, we are concerned about the enforcement mechanisms if ADSEs fail to appropriately grant authorisation or fail to subject OEM excuses to robust analysis. It should be universally understood and acknowledged that there are wild variations in opinions on the word 'unreasonable'. The car manufacturers will no doubt argue, as they have done for the past 15 years in Australia, that they *reasonably* withhold information due to safety and security concerns. It is important that we all learn the lessons of the past ten years of competition law reform, the OEMs will justify withholding parts, information and approval on the basis of their 'reasonable' concerns. They will justify this anti-competitive behaviour based on any and all excuses: quality, training, skills, genuine parts, warranty, competence, safety and security.

We experienced a clear unwillingness to engage in fair and open competition justified by all of these excuses right up until and even after the legislation passed both Houses of the Australian Parliament. The Legislation mandating the sharing of repair and modification information was required because the car manufacturers refused to cooperate with government requirements to operate under a voluntary code. AAAA believes that any reforms that do not give appropriate weight to the history and content of the Motor Vehicle Service and Repair Information Sharing Scheme will be subject to abuse and revert the Australian Automotive Industry to a monopolised industry, a move that is contrary to current Australian Law.

## We expect independent workshops to see an increase in demand for work on automated vehicles as consumer interest grows.

Across Australia, there are over 27,000 thousand individual workshops within the AAAA network. With these workshops undertaking the majority of service and repair work on registered passenger and light commercial vehicles. Over the years these workshops have adapted in an unprecedented way to meet the demands of consumers and the new technology in modern vehicles.

The increasing adoption of EVs and newer vehicles that have Advanced Driver Assistance Systems (ADAS) has set the standard for how quickly service and repair

workshops around Australia have been able to adapt to meet the expectations of consumers.

While there are currently no instances of level 4 or above automated vehicles the groundwork must be set now to ensure that independent workshops are not restricted from servicing these vehicles when they do begin to enter the market. Apart from the obvious competition issues, AAAA believes that this will discourage workshops from undertaking vital training and upgrades to prepare for a possible greater market uptake of automated vehicles. If ADSEs were the only segment of the industry to have access to work on these vehicles it would put the industry years behind and ultimately erode trust with consumers with the implication that ADSEs are the only ones competent enough to work on these vehicles, which is a statement that is not supported with any evidence.

## Interaction of the Motor Vehicle Information Scheme with Proposed Reforms

AAAA has significant concerns that the model proposed that will allow Automated Driving System Entities (ADSEs) to maintain control and oversight over their systems throughout the vehicle's life is subject to abuse unless there are legislated safeguards in place. AAAA believes that any reforms introduced that restrict access to data for workshops will likely be incompatible with the Motor Vehicle Service and Repair Information Sharing Scheme. Additional measures should be introduced specifically to ensure that data sharing and access to perform essential services and repairs on ADS vehicles are done in a streamlined way that does not cause delays for workshops.

We welcome the considerations there were included in the discussion paper and hope that emphasis is placed on enforcement and ensuring a simple streamlined application process for approvals.

## Potential safety risks do not justify limiting consumer choice.

Consumers have the right to choose who repairs their vehicle and this requires that the manufacturers ensure that appropriately licenced or registered third-party service providers have access to vehicle repair and service data. As of 2022 is this now a legal obligation that manufacturers have under the Competition and Consumer Amendment (Motor Vehicle Service and Repair Information Sharing Scheme) Act 2021 (MVIS).

AAAA acknowledges that there are obvious risks when introducing vehicles into the market that rely heavily on new technology and give drivers a potential false sense of security that the car is in total control. While any regulations will aim to limit safety risks it is important to note that there is no evidence to suggest that independent workshops are incapable of performing work on ADS vehicles that will impact the safety of the vehicle.

Automated vehicles specifically those in stage 4 and above have inherent risks in the hardware. The technicians that operate in independent workshops follow strict guidelines with information provided by each OEM via service and repair manuals and additional information that is provided through the Australian Automotive Service and Repair Authority (AASRA) portal, which is legislated under the MVIS.

AAAA agrees that some vehicle types (such as EVs) require additional training not only for the safety of our technicians but to also give customers confidence that a qualified and skilled technician is working on their vehicle. AAAA also agrees that additional training and or workplace requirements may be required for dealing with level 4 and above automated vehicles. Such a framework for this already exists and functions effectively to avoid long delays and OEMs from restricting this data for commercial reasons.

AASRA was established in 2021 and was designed to be a connecting portal for qualified technicians to access data. The AASRA portal verifies credentials and ensures that only those who are qualified can access OEM data.

AAAA recommends that if additional training or verification is required to undertake service and repair work on level 4+ automated vehicles, this be done through the AASRA portal. This will ensure approvals are made within a reasonable timeframe and that an ADSE will not unreasonably withhold information from repairers, maintainers, and modifiers and will be enforced under Australian competition law.

## Achieving the right balance with reforms

AAAA believes that regulations are essential and provide the industry with guidance and increased credibility with consumers. Over-regulation in the automated vehicle space could impact innovation and slow down the adoption of new technologies. Over-regulation in this space may also create high barriers to entry, reduce market competition, and discourage innovation and investment in new technologies.

In 2024, the independent service and repair market accounted for 60% of consumer services and 57% of consumer revenue. In recent years we have seen workshops evolve into speciality workshops that focus on specific aspects of service and repair including the rise in **specialised ADAS calibration centres**. This provides consumers with the option to have their vehicles recalibrated in a reasonable timeframe, an option that dealers do not always provide. In turn, this keeps more vehicles on the road in a safe condition for the benefit of all motorists.

While many consumers take this for granted, the balance can be easily disrupted by regulations that limit consumer choice. AAAA is a strong supporter of education, training, and safety baselines as are our members. However, when these tools are used as a weapon to limit and exclude competent technicians from undertaking vital

work for no valid reason it not only reduces competition it also undermines future investment.

AAAA will only support reforms if competition issues are safeguarded within the AVSL. This will need to include an independent process to challenge decisions, a clear pathway for authorisation that is either qualified or not qualified and inclusion of penalties for ADSEs that unnecessarily or unreasonably withhold access or authorisation from qualified persons.

## Response to Consultation Questions

**AAAA has provided responses to the below questions in addition to our overarching position detailed above.**

**7a. Are the risks arising from repairs to an ADS different enough to the risks arising from repairs to a conventional vehicle to require additional regulatory measures? & b. Is express authorisation of repairers, maintainers and modifiers a suitable approach to manage the risks of unqualified parties working on an ADS?**

While AAAA believes that there are risks that arise from repair to ADS vehicles, we do not believe that this would be a significant enough difference to disregard safeguards in place to protect market competition. There are several unique features of an ADS which may require additional training and equipment. As with the evolution of EVs & ADAS we believe that there will be many workshops that specialise in this area, and it will grow as consumer adoption grows. We firmly believe that our members are ready and able to acquire the necessary skills and equipment, but we do hold concerns that if the aftermarket industry is not factored into the formulation of what is required for express authorisation, unattainable barriers will be placed to restrict access.

**7c. What is an appropriate balance between the level of control or discretion an ADSE has over who it authorises to work on its ADSs, and the level of responsibility placed on either the ADSE or the repairer, maintainer or modifier doing that work?**

AAAA firmly believes that ADSEs should not restrict data or access to repair and service opportunities if the repairer has met base-level requirements for technical capability.

**7d. Should the AVSL require that an ADSE not unreasonably withhold authorisation, and that it share necessary information? For what reasons should an ADSE reasonably be allowed to withhold authorisation?**

AAAA believes that the AVSL should have a minimum requirement of training competency and workplace equipment to be able to complete necessary work on the ADS. should provide full access to repair and service information and data in a consistent timeframe and format. These minimum standards will ensure that there is no lag time in approvals and no unnecessary withholding of authorisation. The process needs to be simple enough for the ADSE to determine if somebody is or isn't competent enough to undertake work on the vehicle. If this does not happen it will likely lead to restrictions being placed and extensive delays for the consumer.

**7e. Should the AVSL include safety duties for repairers, maintainers and modifiers of ADSs? If so, how suitable are the proposed elements of the safety duty on repairers, maintainers and modifiers?**

AAAA is fully supportive of safety policies being introduced to not only protect consumers but also guide our repairers, maintainers, and modifiers from any potential wrongdoing if they have followed ADSE instructions.

## Concluding Remarks

AAAA acknowledges that this discussion paper's emphasis is on safety. We agree that safety is critical for consumer trust and the adoption of automated vehicles. However, AAAA wants to reiterate that the ability of qualified technicians to undertake work on these vehicles with the proper training and set-up will have no negative impact on the safety of these vehicles and we reject any assertion that this will be the case.

We agree with the NTC that clear measures must be introduced that provide immediate transparency if an ADSE is withholding authorisation unlawfully. However, we are concerned that there are limited options to enforce this. We firmly believe that there is an opportunity for AASRA to act as both the portal and enforcement referral mechanism as it is already set up to function for this purpose.

AAAA welcomes any further opportunity to participate in the formulation process of these important reforms before its introduction to parliament to ensure that independent repairers and modifiers are not excluded from this important process.

For any questions relating to this submission, please contact the AAAA Director of Government Relations and Advocacy, Ms Lesley Yates ([L.Yates@aaaa.com.au](mailto:L.Yates@aaaa.com.au)).

Kind Regards,



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Australian Automotive Aftermarket Association

The AAAA is the peak national industry body representing the Australian supply chain for automotive products, vehicle maintenance, repair, and modification.

Our industry supports car owners after the purchase of the car, keeping vehicles safe and providing products for modification to make vehicles fit for purpose, including trade and emergency vehicles – in essence, everything that happens to the car after the initial purchase is part of the Australian automotive aftermarket sector.



**AUSTRALIAN AUTOMOTIVE  
AFTERMARKET ASSOCIATION**

Our members design and manufacture automotive components; distribute replacement and service parts in real-time; wholesale, import and export automotive parts and accessories, retail tools and equipment; and provide vehicle service, repair, and modification services in every community in Australia.

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