



Holden

Submission to ACCC Issues Paper

'New Car Retailing Industry – a market study by the ACCC'
October 2016

GM Holden

Contact for this submission:

David Magill
Director – Government Relations and Public Policy
03 9647 1111

GM Holden Ltd (Holden) welcomes the opportunity to respond to the Australian Competition and Consumer Commission's Issues Paper, *'New Car Retailing Industry – a market study by the ACCC'*, October 2016.

Holden supports and has provided input to the submission being made by the Federal Chamber of Automotive Industries (FCAI). The FCAI's submission has been formed with extensive information and feedback provided by a large number of automotive companies operating in the Australian market.

Holden has been operating in Australia since 1856 and is a manufacturer and importer of passenger motor vehicles for the Australian and New Zealand markets. Holden and its dealer network employ over 10,000 people in more than 200 dealerships and service centres throughout Australia. Holden prides itself on service to customers and the extensive dealership footprint which enables it to be one of the most accessible automotive retailer and service repairers in Australia, particularly for regional and remote areas.

The importance of customer satisfaction and customer loyalty to both its brand and dealer network is Holden's highest priority. Over many decades, Holden has developed sophisticated processes and systems to actively promote these ideals and ensure there is an ongoing strong relationship with our customers. Anything that damages the customer relationship is not something that Holden would encourage or want our dealers undertaking.

Holden has demonstrated results in customer loyalty and satisfaction. This is supported by Holden's own surveys of overall customer satisfaction with the purchase and delivery process for a new car, with 85% of Holden customers 2016 YTD rating that experience as a 10 or 9 out of 10. A further 10.5% of customers gave a rating of 8 or 7 out of 10.

Working to improve these already strong results is a continuous process. Australia has one of the most competitive new vehicle markets in the world, in both model proliferation and price. More than 50 brands with over 350 models combined are vying for sales of approximately 1.1 million vehicles per annum. In this strongly competitive environment, a brand will not survive if it does not provide excellent service to customers and offer competitively priced products.

Car dealerships provide a large range of services to their customers. Many of these services, delivered with a deep industry knowledge by dealership staff, enable customers to minimize risk and have a good experience in buying what is typically the most expensive product they will purchase, second to a house. Just as property agents, conveyancers and mortgage brokers extensively assist consumers in the housing market, Holden dealership staff endeavor to help customers navigate the vehicle purchasing, registration and 'on-road' process as seamlessly as possible. This overarching service, in the interest of the customer, is a key part of the new car sales process that is provided by a dealership.

In addition to supporting the responses of the FCAI submission, Holden makes the following additional comments.

Responses to Issues Paper Questions

2. What search costs do consumers typically incur when buying a new car? Have online sales decreased these costs?

The sale process for most new car sales is conducted through a dealership that has market proximity to the customer. This does not prevent many customers from 'shopping around' to various dealers to negotiate the most competitive purchase price and incentives the dealer may provide, such as genuine accessories and competitive financing. This competitiveness is enabled by the franchised dealership structure of individual businesses. The competitive rates and offerings by the dealership often derives good additional value to the customer, through the 'shopping around' process.

3. What are the key factors determining vertical relationships and contractual arrangements in the car industry? In particular:

a) What is the contractual relationship between manufacturers, and authorised dealers and authorised repairers?

The fundamental nature of the contractual relationship is to outline and define how the manufacturer/distributor and the Dealer/authorised repairer do business together and the standards and processes that are expected of them in representing the brand and details the area of primary representation that they are responsible for. The nature of the contract is typically a core contract which is supported by more detailed policies and procedures manuals which are deemed part of the contract but can be changed during the course of the agreement.

The agreements/appointments are typically for several years for full sales/service Dealers and shorter term agreements for authorised repairers. The Dealer Agreement/contract typically expires unless a new agreement is offered whereas the repairer contracts typically renew unless the repairer has been formally advised at the appropriate time that they will not be renewed.

Unlike most small franchise business agreements there is no franchise fee in the auto industry. There is a renewal process for authorised Dealers and franchises typically do not have automatic renewal – and if so not without key criteria.

b) What are the common features of these contracts?

The contract identifies the organisation structure/shareholders of the company that is being contracted and the applicable premises which are committed for the term of the Dealer Agreement. The contract outlines the business objectives and defines the requirements/obligations that need to be met/agreed to by a Dealer

in order to be appointed an authorised Dealer/repairer. Key parts of the contract may include:

- facilities
- Dealer Principal/ownership
- management, performance criteria
- sales, service and parts obligations
- expectations in supporting customers
- multi-franchising and change of use of premises/facilities.

The contract typically defines post codes applicable to an area of primary representation for the brand and the planned new vehicle sales volume potential but does not restrict ability to sell and market outside of a Dealer's area of responsibility. The contract may also include any special conditions that may be specific to a Dealer.

Repairer contracts are much simpler and only include the requirements relevant to a service and parts operation (no vehicle sales).

c) To what extent do contractual relationships raise barriers to entry and exit and/or reduce the degree of competition in the car market (or specific submarkets)?

The Dealer Agreement provides for a non-exclusive area of responsibility. The manufacturer/distributor determines the number and location of dealers required to achieve their overall sales target/potential. The number of dealers may change over a period of time as franchises grow or decline.

Volume throughput (sales and service) needs to be carefully managed for the appointed Dealers to ensure they get an acceptable return on the investment and the business is sustainable. This is to ensure dealers can generate enough profitability to reinvest in facilities, people and services to meet changing customer expectations. This can take a fine balance due to the highly competitive nature of the automotive industry.

There is no barrier to exit and any Dealer can relinquish the franchise at any time.

4. What is the nature of the business model applying to new car dealers? To what extent does the sale of new cars, service and repairs, finance and insurance and used car (purchases) and sales each underpin gross profit margin of dealers? Is there variability between dealers in the market?

The fundamental business model is that Dealers leverage the manufacturer's product, brand marketing, customer support programs augmented with their own investments to provide a level of customer service that will result in an ongoing, sustainable return on investment.

There is variability between Dealers in the market. Stronger Dealers are those that focus on having all departments profitable and contributing to the bottom line. This requires good competitive gross margins. Variances between Dealers

based on a number of factors sees Dealers at each end of the scale either losing money or generating a return. Industry average over an extended period time has been approximately 2%, which demonstrates the impact of strong competition.

Individual dealer business models include high volume/low margin and low volume/high margin varying individual results. While the industry average is approximately 2%, at any given time there will be dealers earning above or below this level, with some dealers actually losing money.

5. To what extent do consumers substitute between brands and models, particularly responding to price differences? Do consumers show loyalty to particular brands of cars and dealerships, particularly for the aftercare of their new cars and for future car purchases?

The automotive sector in Australia is one of the most competitive globally, illustrated by the fact that Australia has more OEMs than the US market. This extensive choice, coupled with an increase in available information via growth of digital data have increased accessibility/convenience of many different brands and products.

Customer brand loyalty does exist and is impacted by a number of factors such as:

- Life stage of the customer
- Motoring needs
- Customer experience at dealership
- Product lifecycle/new product entrants
- Pricing factors

Loyalty generally comes down to the individual customer's assessment of value, which incorporates the entire offering including brand, product, features, trade in, price, services and other factors. Many customers are prepared to pay a higher price for what they want because they are very attracted to a particular brand. Conversely, some customers are less committed to a particular brand and are more budget constrained or don't see the value is the extra spend so will substitute to another brand. This is where Dealers have a role to play in negotiating the deal including any trade in price.

Do consumers show loyalty to particular brands of cars and dealerships, particularly for the aftercare of their new cars and for future car purchases?

Yes they do but it is heavily impacted by the customer service/experience from the Dealer as well as the manufacturer, particularly if the customer has had some issues. A customer can often be more motivated by how they have been handled in difficult situations rather than the product itself. This often comes out through manufacturer and dealer customer surveys.

Customer convenience may also impact buyer loyalty which can include geographical location and additional services such as service customer drop off and/or hire cars.

In Australia, given the high number of brands available and the high level of 'brand consciousness' of Australians, loyalty to a brand has become less prevalent. Customers often have a tendency to try something different just for the sake of it. This also happens within the luxury vehicle market.

6. What is the level of competition between participants in each sector of the market? For example between:

(a) Authorised and independent dealers

Independent Dealers are typically used car dealers so competition is between all dealers (authorised and independent) and therefore dealers have to be very aggressive and focused in their marketing, including being very selective in the stock they sell.

Competition between authorised Dealers within brands and between brands is even more intense. Even though a Dealer is primarily responsible for a particular area they will market more widely to ensure they can maximise their throughput.

Recent growth in non-typical sales and mobility channels has also increased competition and choice. Increased prominence of brokers and novated leasing companies have provided customers with greater options in the purchase cycle whilst the introduction of ride-sharing/short term hire options has the potential to further influence the car market moving forward.

(b) Authorised and independent service and repairer operators

Very competitive in the broadest sense, eg. competition between authorised Dealers with service and repair operators such as Kmart and Ultratune. It is less so between authorised sales/service Dealers and authorised 'service only' dealers, as the service only dealers often only cater for areas that need the support/service coverage.

Low barriers of entry including small 'mum and dad' workshops provides significant levels of competition with strong local presence.

7. Has competition increased in the new car industry over time and, if so, what is driving this change and how have dealers/manufacturers responded?

Competition has significantly increased and is demonstrated by brand market shares which are converging. This implies that the ability for any one brand to be dominant, is reducing. A key factor in this has been the increase in the number of brands in Australia and the increased model offerings from each brand.

Strong competition is evidenced by the fact that the top selling vehicles in the Australian market today are approximately only half the volume of the top selling vehicles a decade ago.

Increased levels of consumer protection have made it easier for customers to change brands with confidence. A result of this has been reduced throughput for some Dealers which has led to increased multi-franchising and a general diversification in ownership structures. Manufacturers have responded with more customer centric offerings aimed at providing protection and convenience through the ownership lifecycle.

Greater competition across products/brands has also increased the focus on customer experience across brands and Dealers as a method of differentiation. Customer retention programs have become increasingly prominent as manufacturers focus on maintaining existing customer bases with focus on convenience, servicing options, warranties and other benefits.

8. What are the main drivers of the increase in new car sales? Eg. import tariff reductions, competition from used cars, lower prices due to increased competition.

Increase in new car sales has been impacted by import tariff reductions, competition from used cars and competition-driven lower prices. A generally favourable macroeconomic environment has provided a strong basis for market growth:

- Lower new car prices relative to the increased Australian wages/incomes combined with lower interest rates has made cars much more affordable
- Strong housing growth contributing as consumers redraw on housing equity
- Economic growth link can be seen in WA with new car sales reduction mirroring a recently lower GDP

The car industry has increasingly become a 'fashion industry' with information/connectivity technologies, which has combined to incentivize consumers to update their cars more often. Social media activity is increasingly driving the 'fashion' aspect of consumer behavior with their vehicles. Lifestyle changes have also driven a trend towards SUV's – further reinforcement of the 'fashion industry' trend.

General increase in the perceived value of warranties associated with new car purchase may be contributing to buyers choosing new cars relative to used cars, along with continued improvement in safety and technology features increasing customer expectations.

Greater prominence of a variety of buying channels such as novated leasing is also driving shorter turnover cycles and therefore increasing the overall market.

Recent market growth has the potential to slow in the longer term driven by changes in the economic environment and market preferences. Changes to unemployment, exchange rate, interest rates, congestion and continued inner urban mobility growth have capacity to impact market strength.

9. Are there other trends developing in the new car retailing industry in Australia? For example, has there been any consolidation in the dealership segment? What impact might these trends and changes have on consumers?

Trends have developed in the ownership structures towards larger groups/public companies and moving away from smaller 'mum and dad' family businesses. The industry is now a very mature and highly competitive retail industry, with the price of entry for a Dealer now being significantly higher and more difficult to achieve.

The industry still very much relies on entrepreneurial Dealers to drive results, particularly in metro/regional areas. Manufacturers/distributors will continue to review Dealer footprints, which may impact footprint particularly in non-metropolitan areas.

The nature of the retailing environment currently includes increasing demands and standards required of dealerships, eg. showroom size requirements versus concept stores etc. and the sales processes/customer journey once in the dealership eg. zoning/technologies to improve the overall customer experience.

Increased technology within the products has increased the ability to personalise the products/services to ensure customer expectations are met and increase opportunity for customer retention. Growth of mobility innovations such as ride sharing impact, is still to be understood.

Overall, dealership staff provide a greater level of professionalism and convenience will improve the transparency and experience of the consumer. Further innovation in service activities such as express service will provide continued benefit to consumers.

10. What is the level of intra-brand competition (for example competition between retailers of the same branded product)?

Intra-brand competition is much higher as dealers continue to require increased throughputs, particularly in declining brands. In addition, intra-brand competition is impacted by manufacturer/distributor incentive programs that require a dealer to participate, otherwise they will not be profitable.

No distinction exists between intra-brand and other brands. Consumers will generally 'cross shop' across dealers within a brand to optimise a given deal. No restrictions exist in marketing across areas, including digital methods.

11. When purchasing a new car, what information is given to consumers about their consumer guarantee rights? What information are consumers given about the terms and conditions of the manufacturers' warranties or the dealers' extended warranties? Who provides this information? How is this communicated?

Dealers have direct contact with customers when purchasing a new vehicle. Holden's express or contractual warranty is contained in the owner's service and warranty handbook and is supplied at the time of vehicle delivery. Statements around warranties

always contain the statement required by the *Competition and Consumer Act*. Holden also publishes the full terms of its express warranty on its website.

Holden cannot comment on dealers' extended warranties.

12. What information is given to consumers about the interaction between their consumer guarantee rights, the manufacturer's warranty and, where relevant, the dealer's extended warranty? Who provides this information? How is this communicated?

Please refer to answer for question 11.

13. What are consumer perceptions of consumer guarantees, manufacturers' warranties and dealers' extended warranties? How do these influence a consumer's decision to buy a new car?

Customers do appear interested in manufacturers' warranties and actively compare such warranties across brands when purchasing a new vehicle. Further, customers Holden deals with directly have a good awareness that they have consumer guarantee rights in addition to express warranties.

14. Have consumers relied on consumer guarantee rights to seek a refund, repair or replacement for a new car that had a major fault and been denied? Please provide examples.

Consumers frequently assert consumer guarantee rights to seek refunds, repair or replacement and Holden handles claims in accordance with the ACL. Where, in a particular situation, the application of the ACL is not clear (eg. difficult to replicate alleged fault), Holden Customer Care will generally seek to negotiate an outcome acceptable to the customer. Where however a customer makes a claim without proper legal basis, Holden may deny such claims. Examples include product defects associated with aftermarket, non-Holden parts.

15. What issues, if any, have consumers experienced in having their manufacturer's warranty or dealer's extended warranty claims accepted? Please provide examples.

For claims validly made in relation to Holden's express warranty, consumers should have no issues with warranty claims. However, we are unable to comment on dealer extended warranties.

16. Are there examples of consumers being advised that rights to a repair, replacement or refund are limited because a vehicle is outside the manufacturer's warranty? If so, does this arise when dealing with a dealer or a manufacturer? Please provide details.

Following the introduction of the ACL, Holden does not advise customers in this way and does not automatically reject claims in these circumstances. Instead, there is a review of a range of factors to determine the appropriate response. Holden will take such action as is necessary to meet its statutory obligations. In many cases, Holden may also provide assistance on a goodwill basis even where it is not statutorily or otherwise obliged to do so.

17. Are there examples of consumers being offered alternative remedies, such as a free service, in response to a request that a new vehicle be repaired, replaced or refunded?

Holden understands and takes seriously its obligations under the ACL and will honour valid customer claims made thereunder. However in other cases, where a claim for refund is not valid under the ACL, Holden Customer Care will, as a gesture of goodwill, pursue alternate options to conclude the matter to the customer's satisfaction.

18. Are dealers constrained in their ability to provide remedies to consumers by, for example, contractual clauses requiring prior manufacturer's approval to provide a specific remedy or reliance on manufacturer's expertise in diagnosing issues?

Dealers are not contractually constrained in their ability to provide remedies to consumers. Dealers can undertake warranty work without approval. For out-of-warranty repairs, the dealer requests authorisation prior to undertaking the work. In these circumstances, Holden Warranty and/or Holden Customer Care works closely with the dealer to assess a particular customer issue and subsequently to determine an appropriate response that meets the ACL requirements.

19. What training are dealers given in explaining consumer guarantees, the manufacturer's or dealer's extended warranty? What information is provided at the point of sale and after sales?

Holden has conducted training sessions for its dealer network about consumer rights under the ACL and the manufacturer's warranties. In addition, dealers can access training modules on consumer rights under the ACL, organised through the FCAI or provided by external parties.

20. What information is given to consumers about when their manufacturer's warranty and/or dealer's extended warranty commences and expires? What information are consumers given about how the manufacturer's warranty and dealer's extended warranty interact? How is this communicated?

Details of the manufacturer's express or contractual warranty is contained in the owner's service and warranty handbook, and dealers are charged with the task of explaining the same to customers.

Also, refer to response to Questions 11 and 12.

21. What information are consumers given about who can service their new car without affecting either the manufacturer's warranty or dealer's extended warranty? Who provides this information? How is this communicated?

The manufacturer's express warranty and standard scheduled servicing process is contained in the owner's service and warranty handbook and online, and dealers are charged with the task of explaining the same to customers.

22. What issues have consumers experienced in having a dealer's extended warranty claim accepted where the car has been previously repaired with used parts? How does this interact with the terms and conditions of a consumer's insurance policy?

This question is a principally a matter for dealers and insurance providers.

23. Are there examples of consumers being required to sign a confidentiality agreement in order to resolve a complaint about a new car? If so, does this arise when dealing with a dealer or a manufacturer? Please provide details.

Non-disclosure agreements are not standard practice for Holden. Customers who experience an issue during warranty would not be asked to sign a non-disclosure agreement for the relevant repair, nor would a customer who is having work done under a field action. In some cases, where there has been a significant dispute or threatened legal proceedings for an issue outside of warranty, a deed of release can be used to document the terms of the agreement reached with the customer.

28. To what extent do manufacturers and dealers seek to differentiate their products and services, and on what basis? To what extent do perceptions of quality and reliability account for price differences?

Vehicle manufacturers differentiate the services provided to customers through their authorised dealers by leveraging their brands, products, consistency of service and customer relationship management approaches.

Quality and reliability do hold value for consumers and may attract a premium for some products and services. However, the level of competition in the market means that despite the differentiators achieved through genuine parts and services, the price to the consumer may be similar between an authorised dealer and an independent repairer.

Manufacturers differentiate their product offerings via genuine parts. Genuine parts sold through Dealers are designed and manufactured to match the standards and performance of the parts originally fitted and comprehensively tested in the vehicle as a part of its complete architecture and so are intended to provide safety, durability and assurance of fitness for purpose.

Genuine parts are backed by vehicle manufacturers' warranties and they are distinguished by the significant investment in research, development and testing to enable optimum dimensions, materials and production methods to be applied to meet the complex and interdependent design specifications of the vehicle. Whilst alternatives are available these are unlikely to have undergone the full in vehicle testing that genuine parts undergo, which can compromise safety.

33. What information is made available about different types of car parts to the market? Who makes this information available and when?

Information about Holden Genuine Parts and where they can be bought is available on the Holden website. Further information about Genuine Parts is available to independent automotive professionals either directly from a Holden Dealership or via the Holden Trade Club website.

The Holden Trade Club website is a trade member only resource which provides full access to a selection of common genuine mechanical parts pricing plus technical information and repair resources, eg. repair procedures for collision. Trade Club members must be active business operators in the auto industry and

carry an ABN. However, membership of Holden Trade Club is free and access to the Trade Club catalogue is not limited although access to some other resources such as collision repair procedures is based on business type and regular purchase behaviour. The Australian public is able to access Holden parts pricing and information through enquiry at their Dealership.

General Motors owns ACDelco which has some parts which are approved for use in Holden vehicles. ACDelco hosts an array of auto parts and resourceful information on its website, throughout the Holden dealership network and exclusive battery stockists.

34. What information are consumers given about using different types of car parts and its effect on their manufacturer's or dealer's extended warranties? How is this communicated?

Holden's warranty statement considers use of OE parts only, not the use of Non-OE parts, therefore Holden's warranty is concerned with the warranty of Holden vehicles using OE approved parts.

Within Holden's New Vehicle Warranty policy, under the section "MISUSE" it states the Voluntary Warranty does not cover damage caused by:

- use of incorrect types and grades of fuel, oil or lubricants (as prescribed in the Owner's Handbook)
- alteration or modifications of the vehicle by anyone not authorised by Holden
- fitting of parts or accessories not recommended by Holden
- any work carried out on the vehicles except anyone but an Authorised Holden Dealer or Authorised Service Outlet.

Customers are provided this information at the following sources:

- www.holden.com.au/owning/warranty
- owners handbooks
- customers are also encouraged to call Holden's Customer Care team on 1800 033 349 for any further enquiries

35. What issues, if any, have consumers and independent repairers had in accessing appropriate parts or tools to repair or service a new car?

Holden is unaware of any issues related to parts or tool accessibility.

36. What types of parts and tools do manufacturers sell to consumers and independent repairers? Do these differ from what is made available to dealers? What explains the difference?

Holden does not sell parts or tools directly to consumers or independent repairers. All transactions are administered through Holden Dealers or service operations. There is no differentiation in parts or tools sold to Holden Dealers and consumers or independent repairers.

37. What types of parts and tools do dealers sell to consumers and independent repairers? How does this differ from what manufacturers sell? Are dealers put at a competitive disadvantage for selling these parts and tools?

Dealers sell genuine Holden Service and Repair parts, accessories and ACDelco service parts including fluids and lubricants. Dealers may also sell all proprietary service tools available to them. Should a Dealer sell non-approved parts to consumers or independent repairers they must disclose that the part is non-approved via the repair order or parts invoice and obtain a purchaser signature. Holden does not sell any parts or tools directly to consumers or independent repairers.

38. Where a common platform is used by manufacturers (e.g. Volvo S40, Ford Focus and Mazda 3 are built on a common platform, with different features/trim), does this make it easier to access parts and tools?

Holden has limited recent exposure to platform sharing across manufacturers, however the majority of service and repair parts are related to model specific styling, specifications and features that generally differ significantly despite a common vehicle platform or architecture. Proprietary tools are generally developed for service procedures related to the electrical architecture, powertrain and mechanical systems which may also vary significantly despite a common vehicle platform/architecture. Holden does not believe a common platform makes access to parts or tools easier.

39. What is the purpose of a logbook? How is this communicated to consumers? What other uses are there for a logbook?

The primary intent of the Holden logbook (which is a separate document to the Owner Manual) is to:

- Document the schedule of the minimum maintenance requirements for the specific vehicle
- Provide a physical record of completed maintenance for the specific vehicle. All aspects of vehicle maintenance should be explained to the customer during the new vehicle delivery/hand-over process.

Additionally the logbook also provides:

- Record of original date of purchase, selling dealer, vehicle owner
- Service and warranty information source
- Change of ownership notification process.

40. What are the industry trends for providing online logbooks, rather than a paper copy? What other record keeping methods are available? What are the benefits or challenges of using such methods?

Holden recognises that the trend across most industries is for information and data to become electronic however Holden has not and currently has no plan to study the concept of an electronic logbook as the primary record of vehicle maintenance history.

41. What level of access do consumers or others have to online logbooks? Who can update the online logbook? What barriers, if any, are there to do so?

Holden does not currently use an electronic logbook.

42. What repair and service information and data exists in relation to new cars? Who controls this information and data?

Multiple information sources exist:

- Owner Manuals and Service/Warranty books for general fluid specifications and the vehicle specific maintenance schedule
- electronic service information for vehicle diagnosis and repair procedures
- service programming data via the service programming system to deliver software updates to specific modules, security and key codes
- service parts catalogue
- technical training material.

Training material is mostly controlled locally by the Holden Training Academy, with the remainder by GM Global Aftersales Engineering.

43. What repair and service information and data is shared by manufacturers? How is it shared? With whom is it shared? What conditions are on sharing this information and data?

Owner manuals and service/warranty books are supplied with and accessible within all new vehicles and available for purchase as spare parts through any Holden Dealer Parts Department.

Electronic Service Information and service programming data (software updates) are accessible online at acdelcotds.com via subscription.

Security and key codes are supplied on a security card for all vehicles within the glovebox wallet. Customers can request these security codes for their vehicles after showing proof of ownership.

Parts catalogues are only accessible by Holden Dealers or independent businesses that have a commercial relationship with Holden. Technical training delivery is only supplied to Holden Dealer staff who enrol in a training program. This training is not available to consumers or independent repairers. All Holden Dealers pay a fee for access to the above systems, information, data and training.

Third party requests for access to the data that feeds the above systems are increasing and access to this data is generally only granted under license agreements. The agreements are managed by GM North America following local business unit approval. Holden currently has limited data sharing agreements under license with third parties, however several requests for data from additional third parties are currently being reviewed.

44. What is the effect of not having some level of access to repair and service information and data? On what basis might repair and service information not be shared? Why?

Customers will continue to choose a vehicle repair and/or service option that suits their personal situation and requirements, regardless of whether OEMs share service and repair information and data. Without accurate information and data assumptions by the repairer or the providers of their parts/information may be made that are incorrect, that may affect the operation or durability of the vehicle. As vehicle technology evolves, enabling features such as telematics, connectivity and autonomous driving, the industry must, as an overarching priority, ensure that the sharing of information and data does not compromise the security and ultimate safety of the vehicle.

45. Is repair and service information and data presented in a standardised way across manufacturers? How consistent is repair and service information and data in terms of availability and how it is presented across brands?

Holden has little knowledge or exposure to repair and service information used by other manufacturers. The assumption is that there is little standardisation or consistency other than what is driven through the use of similar technology, or common supplier systems such as a Bosch ABS or engine/transmission control system.

46. How is repair and service information and data accessed? What controls are there on accessing it?

Holden Dealers access all service and repair information, diagnostic and programming systems, data and training using unique Dealer login credentials, only available to Holden Dealers. For service and repair information and programming, consumers and independent repairers are able to access the exact same systems and information as a Holden Dealer via subscription. Once subscribed, access is not restricted and is controlled through an e-commerce portal acdelcotds.com. As the majority of training is delivered in a classroom environment, there is no access/e-commerce portal available.

Security information is supplied with the vehicle. If lost, the vehicle owner is able to request it upon proof of ownership from a Dealer or the Holden Customer Contact centre.

47. What other methods exist for accessing repair and service information and data? What are the benefits or challenges of using such methods?

For third party providers collecting service and repair information and selling it via subscription, the benefit is a multi-brand approach. However, accuracy and relevance to the Australian specification of vehicle may be questionable, and capability of technicians to interpret the information across multiple brands would be a challenge. One challenge from an OEM perspective is the level of internal support required to facilitate contracts/licenses, physical data transfers, interpretation, any issues with data completeness or accuracy.

48. Where a common platform is used by manufacturers (e.g. Volvo S40, Ford Focus and Mazda 3 are built on a common platform, with different features/trim), does this make it easier to access repair and service information and data?

Holden has limited recent exposure to platform sharing across manufacturers however the assumption is that service and repair information is generally brand specific and relates to specifications, features and systems (particularly electrical and powertrain management) that may differ significantly despite a common vehicle platform or architecture. Holden does not believe a common platform makes access to service and repair information easier.

49. What issues have consumers experienced with accessing repair and service information? How do these issues impact them?

The transition from hardcopy traditional workshop manuals to online electronic information and service programming has made discovery and access to the information more complex but not impossible. The FCAI initiative to collect links to OEM online resources is a very positive move to help solve this. Increasing vehicle technology and complexity is driving the need for additional and more complex information and tools across all brands. Holden believes that while the information may be available, it is likely more time consuming for consumers to interpret to help solve potentially complex problems.

When working across multiple brands the lack of standardisation in the information likely makes the information discovery and interpretation more time consuming and ultimately more expensive for a business. Limited technical support resources exist for consumers who have accessed the information but require help using or interpreting it. This need for support would grow significantly as more consumers and repairers attempt to use the information.

50. What impact have the Heads of Agreement and/or voluntary codes of practice had on access to repair and service information and data? Provide examples.

The code of practice has assisted consumers and the independent repairer network with accessibility to service information, tools and data. The impact is yet to be fully understood and misuse of such information must be considered. Holden is aware of one case as an example, of an independent repairer with access to service information, data and programming tools was attempting to modify the vehicle software away from its 'as built' state. Modifications included software in safety systems. The repairer was requesting Holden endorsement of the modifications. Holden does not endorse modification of vehicles in this manner and this is an example of the risks to consumer safety associated with accessibility to these tools, data and information.

From an internal Holden/GM perspective, the code of conduct has provided a platform for Holden to use to ensure the ACDelcoTDS.com solution is maintained, in the event that its business need is challenged/questioned.

51. What effect have the Heads of Agreement and/or voluntary codes of practice had on competition in the repair and service sector? How has this affected consumers?

Holden is unaware of any direct impact on competition or how it has affected consumers.

52. How effective are the Canadian, US and EU approaches? Are there any concerns with a mandatory system, such as in the EU and Massachusetts, being introduced in Australia? What are the risks and benefits of similar regulation (voluntary or mandatory) in the Australian context?

Without the opportunity to research, Holden is unaware of the effectiveness of the Canadian, US or EU approaches. A mandatory system may have the desired impact of ensuring availability of data and information, however OEM support required to provide this will ultimately come at a cost. The primary concerns from a Holden perspective are:

- Unqualified consumers attempting repairs on vehicle critical safety systems
- Independent repairers attempting to use the tools to modify vehicles away from original specifications
- Despite information being available, ability of independent repairers to use the information and tools with no specific training
- No technical support network for independent repairers with access to OEM information and tools.

53. What other ways could repair and service information and data be shared or provided? Could or should the information and data be standardised?

With the majority of the information and data being authored in overseas business units to corporate standards, it is highly unlikely that information will be re-authored to a new, specific standard for the Australian market. Information may be standardised and made accessible through the use of third party providers, obtaining the information under licence and compiling it to suit the industry. This appears to be an increasing trend in Australia and companies requesting this information appear to be already operating in other markets.

It is highly unlikely that tools and systems used to support vehicle diagnostics and software reprogramming can be standardised, with local OEMs/business units having little future influence on the development of the tools, systems or infrastructure used. Further, with vehicle technology that enables autonomous driving and a strong focus on cyber-security, as an industry we must ensure that critical vehicle safety systems cannot be compromised as an overarching priority.