

**From:** David Nolan

**Subject:** Takata airbag recalls affecting Australian consumers

**Attachment:** [National Motor Vehicle Theft Reduction Council - Victorian Inter-Agency Task Force into Compliance with Local Laws and Illicit Export Activity – Task Force Discover – Final Report -September 2014 - Prepared by: Victoria Police Crime Command \(with Foreword by NMVTRC\)](#)

Dear Glenn,

Further to your email of 8 January, 2018 I am pleased to provide the following information relating particularly to Clause 9 of Part 2 of the Draft Recall Notice.

I note at the outset that the automotive recycling industry in Australia is a disparate and largely unregulated industry. There is no effective national regulation and there is a high level of non-compliance with existing State and Territory regulations.

As evidence of the nature of the industry I attach a copy of a Victoria Police Taskforce Report from 2014, where about 90% of automotive recycling and scrap metal businesses in Victoria were visited by Police in company with other Taskforce members.

In essence, the national automotive recycling industry comprises some 1700 businesses that can broadly be described as encompassing:

- 350 professionally operated parts supply businesses;
- Another 500 “less professional” businesses that are a combination of parts suppliers and scrap metal dealers;
- The remainder made up of “informal businesses” that operate largely as vehicle transporters, scrap dealers and exporters of whole vehicles, vehicle parts or vehicle scrap to Asia, Africa and the Middle East.

My organisation’s database of 1460 businesses nationally includes a large proportion of the above businesses (but it does need some updating to take account of recent changes within the industry). The efficacy of our autorecycler business listings can be checked by reference to the Search box in the top-left hand corner of our website ([www.autorecycle.com.au](http://www.autorecycle.com.au)).

In regard to the issues raised in Clause 9 of the Draft Recall Notice I note at the outset that, in the absence of a co-ordinated and co-operative approach between the automotive recycling industry and vehicle manufacturers, it will be very difficult to achieve the objectives of Clause 9.

If ten vehicle manufacturers each seek to individually contact automotive recycling businesses, offering differing financial incentives for the recovery and return of airbags and defining differing return processes, the most likely outcome will be a level of confusion and complication that will discourage engagement with those auto recyclers.

To achieve the objectives of Clause 9 there must in essence be:

1. A single co-ordinated communications and engagement plan that uses multiple means of communication including post, email and trade magazine advertising as well as direct phone calls, faxes, SMS messages and strategic in-person visits;
2. A central point for auto recyclers to readily identify models and years of each manufacturer's vehicles that contain Affected Airbags;
3. A central point for initiating a VIN check against the relevant VIN List of each manufacturer (which may be an API call to the manufacturers website);
4. An agreed standard level of financial incentive sufficient to fairly compensate the auto recycler for time spent in removing, packaging and returning Affected Airbags to the manufacturer;
5. An agreed common process that minimises effort required by the auto recycler, that ensures safety and security in handling and that enables prompt payment of the agreed incentive amount to the auto recycler.

The system must also provide comprehensive reporting to each manufacturer relating to:

- The plans required under sections 7, 9 and 10, along with any updates to those plans;
- A report summarising the information required to be tracked under subsection 12(1);
- Automotive recycling and scrap metal businesses contacted and provided with access to the manufacturers Affected Takata Airbags information;
- Businesses who report they are in possession of an Affected vehicle;
- VIN numbers matched by each business;
- Recovery boxes shipped;
- Airbags returned; and
- Payments made.

We are happy to talk with the manufacturers, individually or collectively, about this approach and to demonstrate the system described above.

Kind regards,

David

David Nolan

Executive Director

Auto Recyclers Association of Australia Limited

Web: [www.autorecycle.com.au](http://www.autorecycle.com.au)