

5 October 2017

Attention: Neville Matthew, General Manager
Glenn Probyn, Director
Consumer Product Safety Branch
Australia Competition and Consumer Commission

By email: takata@accc.gov.au

Dear Messrs Matthew and Probyn

Honda Australia Pty Ltd (Honda Australia) submission in response to Draft Compulsory Recall Notice

1. We refer to the email from Mr Matthew (and Ms Vagg) on 21 September 2017 attaching the Draft Recall Notice for a compulsory recall of motor vehicles with Takata airbag inflators (**Draft Recall Notice**).
2. Honda Australia provides this submission together with the attached Appendices, in response to the Draft Recall Notice and as part of Honda Australia's ongoing engagement with the ACCC regarding this issue.
3. As already discussed and agreed 'in principle' with Mr Matthew, Honda Australia is keen to arrange a meeting with you as soon as practicable to:
 - a. 'take you through' the key issues in this submission including importantly, a number of technical, logistical and practical issues, and "learnings" by Honda Australia from its implementation of the voluntary recalls of Honda vehicles in which the Affected Takata Airbag Inflators (as defined in the Draft Recall Notice) were installed;
 - b. as well as to discuss the assistance required from the Government to support more effective completion of the replacement of Affected Takata Airbag Inflators.
4. As notified to the ACCC on 3 October 2017, Honda Australia also intends to participate in the conference to be held on 9 October 2017 in relation to the Draft Recall Notice.
5. As the ACCC is aware from its engagement with Honda Australia to date, the safety of our customers is our highest priority. Since becoming aware of the issues with Affected Takata Airbag Inflators, we have treated this matter with the utmost seriousness to protect the safety of our customers. Honda Australia's sole aim is to use our best endeavours to replace every Affected Takata Airbag Inflator as soon as possible. For several years, this has been the top priority of Honda Australia at every level of the organisation.
6. This submission, together with the attached Appendices, will detail the efforts undertaken to date to implement voluntary recalls since 2009. From these submissions it will be evident that a number of Honda Australia's actions to date mirror those as required by the Draft Recall Notice. This submission will also set out Honda Australia's completion rates to date, and its forward plans to effect completion, all of which are very relevant to the approach that the Minister for Small Business (and the ACCC) take in respect of the Draft Recall Notice.



Health & Safety
AS 4801



Environment
ISO 14001

7. CONFIDENTIALITY

- a. This submission contains information that is commercial in confidence to Honda Australia and its suppliers. Honda Australia requests that:
 - i. the names of Honda Australia's suppliers, agents and third party providers, specifically [REDACTED] together with the costs associated with these providers in the table attached at **Appendix A**; and
 - ii. **Appendices B, C, D and E** which provide detailed information about processes of Honda Australia.

be kept confidential by the ACCC. This information is highlighted in yellow throughout this submission and in the table attached at **Appendix A**.

8. KEY SUBMISSIONS MADE BY HONDA AUSTRALIA

- a. Honda Australia has made very considerable efforts to implement voluntary recalls of the Affected Takata Airbag Inflators such that its completion rate is materially greater than any other supplier of vehicles in Australia. Relevantly, Honda Australia's completion rate for Active Customers¹ for its voluntary recalls, is 98% and its overall completion rate is now 80% (as at the date of this submission). Further, Honda Australia continues to make every effort to ensure that the completion rate will be as close as possible to 100%.
- b. Honda Australia has achieved an 80% completion rate by adopting a multiplicity of communication measures, a number of which are identified in the Draft Mandatory Recall. To assist with the Minister for Small Business (**Minister**) and the ACCC's understanding of Honda Australia's actions to date, and planned actions, Honda Australia has prepared the table attached at **Appendix A** which sets out our actions against the mandatory requirements of the Draft Mandatory Recall, together with the costs to date, and estimated forecasted costs.
- c. Honda Australia has implemented its voluntary recalls using meticulous systems and record keeping. Honda Australia has a large and detailed database recording the progress of each voluntary recall which contains each model/year/VIN of Honda vehicles the subject of a voluntary recall, whether the Affected Takata Airbag Inflator in the vehicle has been replaced and the number of attempts of direct communication (letters). As is detailed in the table attached at **Appendix A** we are working towards adding a record of all texts and telephone calls with each Recall Consumer. We attach at **Appendix E** a PowerPoint which illustrates Honda Australia's database.
- d. The existing systems regarding the implementation of voluntary recalls by Honda Australia are set out in detail in the table attached at **Appendix A**. In summary they include:
 - implementing 19 recalls, including a recall of all Critical Recall Consumers²;

¹ **Active Customer is a customer who has a vehicle/s subject to a recall and has transacted with a Honda Dealer, within the last 12 months.**

² **Critical Recall Consumers means – Recall Consumers whose Vehicle is fitted with an Alpha Inflator or an Affected Takata Airbag inflator with the following Honda Australia recall codes Alpha: 5SZ, 5SD, 5SK, 5UD; and SDIs: 5JV, 5VZ, 5ZV. Honda Australia has identified that these inflators pose a 'critical' safety risk for occupants of Honda vehicles and has adopted the same approach to recalling Honda vehicles with these inflators as with Alpha Inflators.**

- purchasing Recall Consumer data from [REDACTED] and updating our information monthly;
- purchasing Recall Consumer data from [REDACTED] seeking to corroborate or supplement the [REDACTED] data where that data was incomplete or incorrect;
- establishment of dedicated recall website and VIN checker tool in June 2015;
- establishment of dedicated Recall Call Centre in May 2016;
- establishment of dedicated Recall Team at Honda Australia;
- multiple attempts to make contact with customers, via various targeted outreach methods including letters, emails, telephone calls, and text messages;
- the use of third party specialist organisations to seek to locate customers, via our Recall Call Centre provider [REDACTED];
- ongoing interactions with third party retailer [REDACTED], and major auction houses ([REDACTED]) to seek to locate second-hand vehicle owners via providing lists of affected VINs to these providers;
- research into the most effective means of communicating with Recall Consumers and implementing measures to update our written communications accordingly in the most recent versions of letters and other communications, including use of direct plain English wording and "graphic" image to make clear the risks to customers;
- ongoing plans to ensure remaining 20% of Recall Consumers subject to a current voluntary recall can be contacted, including plans for targeted social media, and digital advertising campaigns;
- active engagement with salvage yards; and
- active engagement with Honda branded dealers to ensure parts availability and prioritisation of replacement of Affected Takata Airbag Inflators over other service work;

9. HONDA AUSTRALIA'S COMPLETION RATE AND CHALLENGES TO 100% COMPLETION

- a. As at the date of this submission Honda Australia's completion rate for its voluntary recalls is **80.0%**. This varies across customer type:

CUSTOMER TYPE	COMPLETION RATE
Active Customers ³	98%
Non-active Customers ⁴	55%

³ **Active Customer** is a customer who has a vehicle/s subject to a recall and has transacted with a Honda Dealer, within the last 12 months.

⁴ **Non-active Customer** is a customer who has a vehicle/s subject to a recall and has not transacted with a Honda Dealer, within the last 12 months.

- b. As is plain from the above data, the issue for Honda Australia to date has been seeking to locate, and effect the replacement of the Affected Takata Airbags Inflators for Non-active Customers. In spite of the significant resources devoted by Honda Australia and the steps taken by Honda Australia, it has proven difficult to get the Non-active Customers to participate in the voluntary recalls. This has not been through want of trying, as evidenced by the steps undertaken by Honda Australia above and in the table attached at **Appendix A**.
- c. In relation to the Non-active Customers, the issues are that these Recall Consumers are either:
 - i. known to Honda Australia, however based on numerous attempts to contact these Recall Consumers we consider that their contact information is incorrect; or
 - ii. the current owner of the Vehicle is not known to Honda Australia, despite numerous attempts to identify the current owner through sourcing data from [REDACTED] as set out above.

Accordingly, Honda Australia is not in a position to communicate via text message, email, letter, or calls directly to a large number of these Non-active Customers (as these methods of communication will not reach these Non-active Customers).

In order to overcome the barriers with contacting Non-active Customers, Honda Australia considers the only remaining actions that it can implement are 'mainstream' media, social media and digital advertising campaigns, as detailed in the table attached at **Appendix A** and the Honda Australia Recall Plan attached at **Appendix B**. Honda Australia notes that these are not guaranteed to reach each of the remaining Non-active Customers.

- d. As these methods are not 'one to one' communications between Honda Australia and the Non-active Customers, Honda Australia considers government assistance and industry wide campaigns are critical to enable it to effectively communicate with the remaining Non-active Customers.
- e. In addition, as has been previously suggested by Honda Australia to the ACCC and DIRD, having regard to the seriousness of the safety issues the Affected Takata Airbag Inflators pose, and Honda Australia's inability to obtain any further contact information for Non-active Consumers, Honda Australia seeks assistance from the Minister and ACCC to consider liaising with State Governments to ensure that vehicles in which the Affected Takata Airbag Inflators are installed and are beyond the "timetable" set out for recalls in Schedule 1 to the Draft Recall Notice (as amended by our suggestions above) are not capable of registration without confirmation that the Affected Takata Airbag Inflators have been replaced. Honda Australia considers this is one of the only actions that will enable it to be successful in contacting and locating its outstanding Non-active Customers, and that will result in completion rates that are closer to 100%.

10. IMPLEMENTATION OF DRAFT RECALL NOTICE

- a. In light of the steps that Honda Australia has taken to date and the level of rectification in respect of Active Customers with whom Honda Australia has been able to make contact, Honda Australia should not be subject to the Draft Recall Notice. However, Honda Australia recognises the concerns that the Minister for Small Business has more broadly in respect of the Affected Takata Airbag Inflators, and hence the likelihood that all suppliers of vehicles in

which the Affected Takata Airbag Inflators have been installed, may be subject to a compulsory recall under the Australian Consumer Law (ACL).

- b. If that was to occur, the terms of the (final) Recall Notice (**Recall Notice**) should have regard to the voluntary recalls already being implemented by Honda Australia, such that the Recall Notice either:
- should not, in the case of Honda Australia, include the measures set out below; or alternatively
 - should set out that, or provide for a mechanism by which, the ACCC may confirm that certain actions already undertaken by Honda Australia amount to compliance with terms of the Recall Notice.
- c. Honda Australia considers it appropriate in the circumstances, that the following existing voluntary recall measures amount to compliance with the Recall Notice:
- Honda Australia's existing Communication and Engagement Plan which is detailed in the Recall Plan attached at **Appendix B**, amounting to compliance with Section 7 of Part 2 and Part B of Schedule 2 to the Draft Recall Notice, and the existing Communication and Engagement Plan being subject to the audit process specified under section 13 of Part 2 of the Draft Recall Notice;
 - Save for the wording for vehicles fitted with an Alpha Inflator (as defined in the Draft Recall Notice), Honda Australia to use the wording it has implemented in written communications as detailed in the table attached at **Appendix A**;
 - Honda Australia's existing VIN checker tool on its dedicated recall webpage amounting to compliance with Section 8 of Part 2 of the Draft Recall Notice, for which Honda Australia is able to provide the ACCC with API access;
 - Honda Australia's existing plans for recovery of Affected Takata Airbag Inflators from wreckers as contained in the Recall Plan attached at **Appendix B** amounting to compliance with Section 9 of Part 2 of the Draft Recall Notice, and the existing Recall Plan being subject to the audit process specified under section 13 of Part 2 of the Draft Recall Notice. Please note Honda Australia refers to the issue of the salvage activity further below;
 - Honda Australia's existing dedicated Recall Call Centre and the complaints handling processes Honda Australia already has in place, being the [REDACTED] Honda Australia Call Centre Protocol attached at **Appendix C**, and the Honda Australia Customer Relations Team Standard Operating Procedure for Case Management attached at **Appendix D**, amounting to the establishment of a dispute resolution mechanism pursuant to Section 11 of Part 2 of the Draft Recall Notice;
 - Honda Australia's existing second-hand vehicle plan which details Honda Australia's engagement with [REDACTED] and auction houses [REDACTED] as detailed in the Recall Plan attached at **Appendix B**, amounting to compliance with Section 10 of Part 2 of the Draft Recall Notice.

11. DEFINITIONAL AND PRACTICAL CONCERNS, REQUESTS FOR CLARIFICATION ABOUT THE DRAFT RECALL NOTICE, AND REQUEST FOR GOVERNMENT ASSISTANCE

Honda Australia's key concerns with the Draft Recall Notice, and requests for clarification are as follows:

Schedule 1 - Date of manufacture of Affected Takata Airbag Inflator

- a. Save for the Affected Takata Airbag Inflators that are Alpha Inflators, Schedule 1 to the Draft Recall Notice requires certain recall actions to be initiated based on the time that has passed since the date of manufacture of the Affected Takata Airbag Inflator. Honda Australia is not capable of identifying or ascertaining the date of the manufacture of the relevant inflator and hence is not capable of complying with the approach in Schedule 1 to the Draft Recall Notice.
- b. The only way that Honda Australia can ascertain the "age" of the Affected Takata Airbag Inflator is to use, as a proxy, the date of manufacture of the relevant vehicle. Implementing recalls on the basis of the date of manufacture of the relevant vehicle is in accordance with the statements by the US National Highway Traffic Safety Administration (NHTSA). To date, the 19 voluntary recalls of Affected Takata Airbag Inflators that Honda Australia has implemented have been conducted on this basis. Further, Honda Australia understands this is currently the global standard practice for the implementation of recalls of Affected Takata Airbag Inflators.
- c. Honda Australia was instead proposing to proceed with its voluntary recalls in accordance with the statements by NHTSA as set out in Honda Australia's response to the Notice issued by the ACCC under section 133D of the Competition and Consumer Act. The NHTSA schedule include a timetable for the continued expansion of recalls of vehicles containing Affected Takata Airbag Inflators.
- d. Accordingly, Honda Australia submits that the Draft Recall Notice be amended to reflect the approach of NHTSA, being that recall actions are initiated based on year models of vehicles and pursuant to the earliest timing proposed by NHTSA (Zone A). Amending in accordance with the NHTSA schedule does not reduce the number of Affected Takata Airbag Inflators that are required to be recalled.

What is the target completion?

- e. As stated above, Honda Australia's corporate position is that it will continue to make every effort to ensure that the completion rate for the replacement of the Affected Takata Airbag Inflators is as close as possible to 100%. Having said that, the Draft Recall Notice places a large number of ongoing obligations on suppliers of vehicles, with no clarity as to timeframe or completion dates.
- f. While Honda Australia recognises the safety imperatives that founded the Draft Recall Notice we would be grateful to receive guidance from DIRD and the ACCC as to what amounts to completion for a supplier - whether that will be based on a "target" completion rate or evidence of completed levels of attempted communication to consumers. While Honda Australia will continue to seek to effect recalls of Affected Takata Airbag Inflators until we obtain as close to 100% completion, there needs to be clarity about the parameters for the conclusion of the ongoing mandatory requirements of the Draft Recall Notice.

Exclusion of unregistered vehicles

- g. In addition, will the ACCC consider excluding unregistered vehicles from completion rates? Notwithstanding Honda Australia's efforts with salvage yards, there are still a number of unregistered Vehicles for which Honda Australia has not been able to successfully locate / contact the owners. If the replacement of Affected Takata Airbag Inflators in unregistered Vehicles will continue to be included in accordance with the Proposed Recall Notice, Honda Australia will require assistance from Commonwealth and State authorities in locating these Vehicles.

Assistance from State Registration authorities

- h. Honda Australia would like an indication from the ACCC as to the feasibility of State Registration authorities intervening, where there is an outstanding Affected Takata Airbag Inflator recall that has not been completed, preventing renewal of registration until such replacement is complete.

Section 7 Part 2, and Schedule 2 of Draft Recall Notice - One contact per customer per month

- i. Honda Australia seeks clarity from the ACCC about the requirements set out at Schedule 2, Part B, 1(b) and (c). The current wording suggests that the Draft Recall Notice requires at least one method per Recall Consumer per month until the completion of the recalls.
- j. Where Honda Australia is communicating with Active Customers, it is in a position to so communicate. However, for the remaining Non-active Customers, Honda submits that there is no scope for such targeted communications. Instead, the alternative social media and digital advertising, as set out in the attached table, should focus on Honda vehicles generally, rather than go down to the level of detail of all vehicle models, years and makes included in each recall. Once a customer 'clicks' on such advertisement it can direct them straight to the Honda Australia VIN checker website. Please see Honda Australia's Recall Plan attached at **Appendix B** for further detail in relation to Honda Australia's plans.

Section 127(2) of the ACL

- k. Honda Australia has already outlined that it actively engages with salvage yards and second hand retailers in an attempt to ensure that to that Affected Takata Airbag Inflators are not resold or fitted into Honda vehicles. However, in the event that the Minister issues a Recall Notice it appears that any sales of the Affected Takata Airbag Inflators or vehicles containing the Affected Takata Airbag Inflators will be prohibited under section 127 (2) of the ACL. The communication of that prohibition by the ACCC to retailers and operators of salvage yards/wreckers should obviate the need for detailed salvage plans pursuant to Section 9 of Part 2 of the Draft Recall Notice save for the steps that Honda Australia is already taking.
- l. Honda Australia submits that following the issue of the Recall Notice the ACCC communicates clearly with the vehicle industry that any sales of vehicles containing Affected Takata Airbag Inflators or sales of the inflators themselves or the fitting of the inflators into vehicles is prohibited under the ACL.

Section 5 Part 2 of the Draft Recall Notice: Refunds to consumers

- m. To avoid potential future disputes, any Recall Notice or related ACCC publications should expressly state that Recall Consumers must return a vehicle to the supplier, or their dealer, in

order to obtain a refund. Presumably the Recall Consumer is required to give the vehicle to the manufacturer on payment of the refund, but this is not and should be specified.

Schedule 2 Section 6(c) of the Draft Recall Notice: Online repair scheduling platform

- n. As the ACCC are aware, Honda Australia dealers perform the recall repair work on Honda Australia's behalf. Honda Australia dealers are franchisees of Honda Australia, and are completely separate businesses. They are not an extension of Honda Australia's business. As such, Honda Australia does not have access to or control over dealers' booking systems, and implementing such will be very difficult, if not impossible, particularly by the date the Draft Recall Notice is implemented.

Section 8 Part 2 of the Draft Recall Notice: Honda Australia database VIN checker

- o. In relation to the API access, Honda Australia would like to understand what information the ACCC is seeking by having API access. Does the ACCC intend on establishing a national VIN checker that can be accessed via the Product Safety Website by any consumer, that houses recall information of all affected VINs from all manufacturers? A more cost and time efficient method of providing the ACCC with the affected VINs would be for Honda Australia to provide such information in a spreadsheet.

Section 5 Part 2 of the Draft Recall Notice: Compliance Concerns for replacement of Alpha Inflators

- p. Section 5 of Part 2 of the Draft Recall Notice places certain obligations on suppliers in the event that the replacement of the Alpha Inflators does not occur within 1 business day of the Recall Consumer contacting Honda Australia.
- q. Honda Australia submits that 1 business day, or a set required day to replace an Alpha Inflator, rather than upon ordering the replacement part, is not achievable because:
 - i. parts must be transferred to Honda dealers from centralised storage locations;
 - ii. Honda Australia has approximately 107 service locations across Australia, for which we have a majority of the parts pre-stocked at Honda dealers. However, as completion rates increase, we are required to reallocate replacement parts between Honda dealers as required. This is due to the sporadic nature of Recall Consumer requirements, and the difficulty of forecasting demand at dealer level (as it is at the Recall Consumer's discretion to select the Honda dealer at which the replacement will occur). In these circumstances, replacement within 1 business day is not always achievable, and at times logistically impossible.
- r. Currently Honda Australia has a very detailed parts management plan, which is set out in the Recall Plan attached at **Appendix B** to ensure minimal delays in parts availability at the relevant Honda dealer. In addition, to ensure that the replacement of Affected Takata Airbag Inflators are appropriately prioritised by Honda dealers, Honda Australia incentivises dealers by paying retail rates, which are above the usual rate for warranty repairs such as replacement of Affected Takata Airbag Inflators, for the repair work. Honda Australia also sets targets for Honda dealers that relate to dealer bonuses. A copy of Honda Australia's most recent dealer bulletin which sets out the requirement for Honda dealers to prioritise the replacement of Critical Affected Takata Airbag Inflators is attached at **Appendix H**.

- s. Accordingly, Honda Australia submits that Section 5 Part 2 of the Draft Recall Notice should be amended to require that Alpha Inflators are replaced within 1 business day of the part arriving at the relevant Honda dealer.

12. ESTIMATED COSTS

As is evident from this submission and Honda Australia's ongoing efforts in relation to its voluntary recalls of Affected Takata Airbag Inflators, Honda Australia's focus has been on getting its completion rate as close as possible to 100%, and not on the costs it has and will incur. However, as requested by the ACCC via email on 21 September 2017, Honda Australia has prepared the table below which summarises the costs incurred to date by Honda Australia in conducting its voluntary recall activities, and estimated costs of compliance with the Draft Recall Notice. The proposed costs are our best estimate based on our experience to date. Further detail in relation to these costs has been included in the table attached at **Appendix A**.

	Costs Incurred to Date	Proposed Costs
	\$ 9,587,087	\$ 14,371,720
No. Of Inflators	523,217	127,162
Cost Per Inflator	\$ 18.32	\$ 113.02

13. CONCLUSION AND NEXT STEPS


- a. Honda Australia welcomes the opportunity to make this submission and to participate in the proposed conference in respect of the Draft Recall Notice. Further, Honda Australia is keen for the opportunity to meet with the ACCC as soon as practicable to discuss the implications of, and the issues raised by, this submission.
- b. In particular Honda Australia is keen to ensure that the very significant efforts and measures taken by Honda Australia to date in implementing 19 voluntary recalls in respect of Honda vehicles were installed Affected Takata Airbag Inflators, are taken into account in the event that the Minister issues a final Recall Notice. Honda Australia submits that the measures already in place by Honda Australia as part of its voluntary recalls remain in place and co-exist with any Recall Notice as set out below to ensure the most effective outcomes for the safety of consumers rather than unnecessary duplication of processes and effort.
- c. In addition, Honda Australia submits that the following provisions/requirements of the Draft Recall Notice be amended or further clarified to ensure that they may be complied with:
 - i. that Schedule 1 to the Draft Recall Notice be amended such that recall actions be initiated based on the date of manufacture of the relevant vehicle in accordance with the statements/timing for initiation of additional recalls by the NHTSA;
 - ii. DIRD and/or the ACCC:

- communicate with salvage yards and dealers about the requirement of section 127(2) of the ACL following the issue of a Recall Notice, and require them to return the Affected Takata Airbag Inflator to the relevant manufacturer, in accordance with dangerous goods and packaging requirements;
- liaise with State Governments to assist in ensuring that vehicles containing the Affected Takata Airbag Inflators are not capable of being registered without confirmation that the Affected Takata Airbag Inflators have been replaced;
- liaise with State Governments to provide the most up-to-date contact details of persons that have possession of possibly unregistered vehicles; and
- (while not strictly a provision of the Draft Recall Notice), advise on possible alternatives to making contact with individuals with whom Honda Australia has not been able to make contact notwithstanding its efforts as set out in this submission and other communications with the ACCC and DIRD.

14. MEETING WITH THE ACCC

In addition to attending the conference on 9 October 2017, Honda Australia has arranged to meet with the ACCC on Thursday 5 October 2017 to discuss the relevant aspects of this submission, the Draft Recall Notice and the learnings to date of Honda Australia in undertaking its voluntary recalls of vehicles with the Affected Takata Airbag Inflators. Honda Australia is also happy to provide any additional clarification of detail that the ACCC or the Minister would find of assistance in finalising the Recall Notice.

Yours Sincerely



Hiroyuki Shimizu
Chief Executive Officer and Managing Director

Encl.

Appendix A – Table

Appendix B – Honda Australia Recall Plan

Appendix C –  Honda Australia Call Centre Protocol

Appendix D – Honda Australia Customer Relations Team SOP for case management

Appendix E – Honda Australia Recall database screen shots contained in PowerPoint presentation

Appendix F – PDF Summary of Research undertaken by Honda Australia into effective communications (as referred to in the Table)

Appendix G – Example Honda Australia letter with wording updated as a result of Leo Burnett research

Appendix H – Honda Australia National Service Technical (Dealer) Bulletin – 21 August 2017

Appendix A

SECTION	SUB-SECTION	ACCC STATEMENT	Current Situation	Detail
Part 2		RECALL		
5		Recall		
	1	The Supplier of any Consumer Goods must:		
	a	initiate the recall of the Consumer Goods in accordance with the timetable set out in Schedule 1 and with communications as set out in Schedule 2; and	Honda Australia has initiated a recall of all Alpha Affected Takata Airbag Inflators. In relation to the proposed timetable contained in Schedule 1 of the Draft Recall Notice please refer to Honda Australia's submission.	Schedule 1 of the Proposed Recall Notice triggers certain recall actions from the date of manufacture of the Affected Takata Airbag Inflator. This is not possible as Honda Australia cannot identify the age of each Affected Takata Airbag Inflator. As has been previously communicated to the ACCC, it makes more sense for the implementation of the remaining recalls to be done in accordance with the NHTSA schedule . In setting the schedule, the NHTSA report refers to the lifespan of the Affected Takata Airbag Inflators based on the year model of the Vehicle, and not date of manufacture of the Affected Takata Airbag Inflator. Accordingly, Honda Australia requests that the ACCC amend Schedule 1 of the Proposed Recall Notice, to bring it in line with the NHTSA schedule.
	b	replace the Affected Takata Airbag Inflator (in accordance with this section, section 6, and the timetable as set out in Schedule 1, but in any event by 31 December 2020) ; or	Please refer to comment above.	Honda Australia currently implements recalls in accordance with the NHTSA Schedule and is using its best endeavours to replace all Affected Takata Airbag Inflators the subject of a recall.
	c	subject to subsections (2) and (3), if the Affected Takata Airbag Inflator is not replaced as required by the Recall Notice and in accordance with the timetable set out in Schedule 1, or such other timetable approved by the ACCC under subsection (5), then, at the request of the owner of the Consumer Goods, refund the price of the Consumer Goods less, in the case of a Vehicle, a reasonable amount for use of the Vehicle where more than 12 months has passed since the Vehicle was supplied, where 'reasonable amount' means reasonable decrease in market value, as reflected by RedBook and taking into account relevant factors including the odometer reading and the condition of the vehicle.	Please refer to comment above.	Honda has implemented measures to ensure that Honda dealers prioritise the replacement of Affected Takata Airbag Inflators, as set out in our response at Schedule 2. Honda Australia's communications with Recall Consumers request that Recall Consumers immediately present their vehicle to a Honda dealership for urgent repairs.
	2	A Supplier will not be required by paragraph 5(l)(c) to refund the purchase price if:		
	a	the reason the Affected Takata Airbag Inflator was not replaced as required by this Recall Notice was:		
	(i)	that a notified Consumer did not present the Vehicle for replacement of the Affected Takata Airbag Inflator despite timely, proven notification; or	Every current Recall Consumer has been sent between 2 to 7 letters from Honda Australia in relation voluntary recalls.	As set out in Schedule 2, Honda Australia communicates with Recall Consumers on a number of a different communication platforms (where contact details are available) and continues to do so on a regular basis. Honda Australia to the extent it has contact details will continue these actions. Where it does not have the contact details, see paragraph 9 (d) of our submission.

	(ii)	that a Consumer could not be notified in circumstances where a Supplier implemented an approved communication and engagement plan as required by this Recall Notice.	Despite all actions implemented by Honda Australia, a number of consumers cannot be notified due to current inability to obtain accurate contact details. Honda Australia seeks the assistance of government authorities to locate accurate contact details as set out in our submission.	Honda Australia has provided to the ACCC its Communication and Engagement Plan with its submission. The major issue in being unable to notify consumers is accuracy of customer data especially for older vehicles, as is set out in our submission.	
	b	the Supplier provides the Consumer with a loan car or hire car, or offers to fund or provide alternative transportation which is acceptable to the Consumer, for the time that the Supplier is replacing the Affected Takata Airbag Inflator in the Consumer's Vehicle.	Where a Recall Consumer requests assistance from Honda Australia it is provided where possible, i.e. in the form of a loan vehicle.	Honda Australia has a documented process for the provision of alternative transportation to Recall Consumers who refuse to have their recall undertaken as a result of living too far away from a Honda dealership. The documented processes have been provided by Honda Australia to the ACCC with this submission.	
	3	A Supplier must comply with all of its obligations under the ACL, the CCA, and the TPA and nothing in the Recall Notice alters Consumer rights and remedies or Supplier obligations in respect of those provisions or otherwise under Australian law, including the consumer guarantees provisions of the ACL and the implied warranties provisions of the TPA.	Honda Australia conducts its business in accordance with all applicable laws.		
	4	Where a Supplier replaces an Affected Takata Airbag Inflator, the Supplier must bear the cost of the replacement, including any necessary transportation costs. In this regard:	Honda Australia covers the cost of the replacement of the Affected Takata Airbag Inflator.		
	a	if the replacement process will deprive the Consumer of the use of their Vehicle for more than 24 hours, the Supplier must offer to provide the Consumer with a loan or hire car, or offer to fund or provide alternative transportation which is acceptable to the Consumer for the duration of the replacement process; and	Where a Recall Consumer requests assistance from Honda Australia it is provided where possible by the relevant Dealer, on a case by case basis.	In the first instance, Honda dealers endeavour to perform replacement of Affected Takata Airbag Inflators on the same day the Recall Consumer brings their vehicle in for repairs. If this is not possible, and the Dealer cannot satisfy the customer, it is escalated to Honda Australia . To date, there are minor instances of this occurring.	
	b	if the Vehicle has an Alpha Inflator, then the Supplier must offer to arrange for the Vehicle to be towed to the place of replacement or for a qualified technician to travel to the Vehicle (or some similar arrangement so that the Consumer need not drive the Vehicle).	Honda Australia currently offers towing for all Recall Consumers on a case by case basis. Honda Australia also has a far reaching/remote technician service.	Towing is arranged through the Recall Call Centre in conjunction with Honda Australia upon reasonable requests. Technician service has been conducted in remote areas where there is no Honda dealership, and will be continued.	
	5	A Supplier may apply to the ACCC to vary a date specified in the timetable set out in Schedule 1. In considering the variation request and determining an appropriate varied timetable, if any, the ACCC will have regard to the following:	Currently intend to comply with NHTSA schedule which differs from the Proposed Recall Notice Schedule 1.	As set out at 1(a) above, Honda Australia's current intentions are to comply with the NHTSA schedule.	

	a	the safety risk to Consumers posed by the request;		
	b	the reasons and material submitted in support of the request for variation;		
	c	the steps the Supplier has taken to secure supply of replacement airbag inflators;		
	d	the steps the Supplier has taken to increase qualified repair personnel or facilities, as needed;		
	e	the steps the Supplier has taken to address the risk of death or injury associated with Vehicle use until the recall action is implemented (such as, for example, offering affected Consumers a loan or hire car).		
6		Suppliers must put in place arrangements with their Dealers to allow Consumers to take their Vehicle to any Dealer within the Supplier's Dealer network for replacement of the Affected Takata Airbag Inflator in the Vehicle.	This policy is currently in place.	Honda Australia's policy is that Recall Consumers can have the Affected Takata Airbag Inflator replaced at any Dealership in the Honda dealer network.
6		Replacement of an Affected Takata Airbag Inflator		
	1	Where a Supplier, under section 5(l)(a) replaces an Affected Takata Airbag Inflator in a Vehicle, the following requirements apply:	Honda Australia no longer replaces Affected Takata Airbag Inflators with Affected Takata Airbag Inflators and has not done so since July 2017.	
	a	best endeavours must be used to replace an Affected Takata Airbag Inflator with an inflator that is not an Affected Takata Airbag Inflator;	Honda Australia is no longer replacing 'Like for like' inflators.	
	b	if, prior to 31 December 2020, it is considered necessary to use an Affected Takata Airbag Inflator as a replacement inflator, then the Supplier must:	Honda Australia no longer replaces Affected Takata Airbag Inflators with Affected Takata Airbag Inflators and has not done so since July 2017.	
	(i)	notify the Consumer (orally and in writing at the time of replacement) of the type of airbag inflator installed, that the inflator will need to be replaced again, and the date by which that replacement must occur (in accordance with Schedule 1). The Supplier must include the specified language set out in Schedule 2 in this communication; and	N/A	
	(ii)	(ii) record in the service record of the Vehicle that the Vehicle is installed with an Affected Takata Airbag Inflator and replacement of that Affected Takata Airbag Inflator is required before the date specified in Schedule 1. The Supplier must include the specified language set out in Schedule 2 in this service record note; and	N/A	

	(iii)	cause a notice to be affixed on the front windscreen and a metal plate or other durable label to be affixed in the engine bay clearly identifying that the Vehicle is fitted with an Affected Takata Airbag Inflator requiring replacement by the applicable date to avoid risk of injury or death. The Supplier must include the specified language set out in Schedule 2 in these notices;	N/A	
	c	from 31 December 2020, an Affected Takata Airbag Inflator must not be used as a replacement in any circumstances; and	Honda Australia is no longer replacing 'Like for like' inflators.	
	d	under no circumstances may an Alpha Inflator be used as a replacement inflator at any time.	Honda Australia is no longer replacing 'Like for like' inflators.	
	2	Where the Supplier removes an Affected Takata Airbag Inflator, the Supplier must ensure that it is immediately quarantined and promptly destroyed so that it cannot be reused, unless it is intended to be used for testing, in which case it must be labelled and handled in a manner to prevent re-use.		Honda Australia instructs its dealers to package the removed Affected Takata Airbag Inflators and Honda Australia arranges collection of these. Once returned to Honda Australia, the Affected Takata Airbag Inflators are collected by Takata's freight forwarder each week. The destruction of the Affected Takata Airbag Inflators occurs once they are returned to Japan, As far as Honda Australia is aware there is only one business in Australia that destroys Affected Takata Airbag Inflators, and their processing times are quite inefficient.
7		Notification of affected Consumers		
	1	A Supplier must develop and implement a communication and engagement plan to maximise replacement rates for a recall under section 5. The plan must, at a minimum, meet the requirements in Schedule 2.	Honda Australia has in place a Communications and Engagement Plan which we have provided to the ACCC together with this submission.	
	2	A Supplier must submit the plan to the ACCC within one month of the commencement of this Recall Notice, and the ACCC will assess the adequacy of the plan and determine whether it meets the minimum requirements of this Recall Notice, having regard to a range of factors including the Supplier's supply profile of Consumer Goods, and relevant data concerning replacement, including replacement rates.	Honda Australia already has an effective communication and engagement plan in place.	
8		Recall database		

	1	A Supplier of Vehicles must establish and maintain a database on the Supplier's website that allows Consumers to enter a Vehicle Identification Number (VIN) into a search field and obtain immediate information about inclusion of the vehicle in the recall, the applicable recall timetable and status for the Vehicle.	Already in place.	Honda Australia's dedicated recall website went live in May 2015. Shortly after, in June 2015, to better assist Recall Consumers, Honda Australia added a VIN check tool (https://www.honda.com.au/my-honda/services/recall-information/check-my-honda.html) to its recall website. This tool allows Honda consumers to check if their vehicle is affected by a recall of Honda vehicles by entering their VIN. If the Honda vehicle is affected by a recall, the website provides information to the consumer about the recall campaign number, safety risks, and next steps required to be undertaken by the Recall Consumer.
	2	The Supplier must provide the ACCC with access to this database via an Application Program Interface (API).	Not in place.	Honda Australia does not currently provide the ACCC with access to its database. Honda Australia can provide the ACCC with access once it understands what information the ACCC requires access to.
9		Life of Product Action: Salvaged Affected Takata Airbag Inflators		
	1	A Supplier of Vehicles must develop, and implement, a salvage plan to maximise the removal of Affected Takata Airbag Inflators from Vehicles that are scrapped or otherwise unregistered and not in use. The plan must, at a minimum, set out a process and provide a financial incentive for persons to recover, and return to the Supplier for destruction, Affected Takata Airbag Inflators from Vehicles that are in scrapyards or otherwise not in use.	Already working with wreckers.	Honda Australia has also worked with vehicle wreckers to obtain VINs of Honda vehicles the wreckers have purchased that are affected by the recalls. As a result, Honda Australia has purchased more than 800 Affected Takata Airbag inflators from these wreckers to avoid any possibility of them being fitted to other Honda vehicles.
	2	A Supplier must submit the salvage plan to the ACCC within one month of the commencement of this Recall Notice, and the ACCC will assess the adequacy of the plan and determine whether it meets the minimum requirements of this Recall Notice.		Please refer to Honda Australia's Recall Plan as provided to the ACCC with this submission which sets out detail in relation to working with Carsales and auction houses.

10		Life of Product Action: Secondhand Consumer Goods		
	1	A Supplier of Vehicles must develop a plan to maximise the replacement of Affected Takata Airbag Inflators in Vehicles that have been or are being sold second-hand. The plan must be designed to:	Already working with some secondhand independent sellers, i.e. [REDACTED]	<p>In February 2017, Honda Australia worked with two major vehicle auction houses, [REDACTED], to obtain contact details of Recall Consumers who purchased used Honda vehicles affected by a recall from their auction houses. Honda Australia provided [REDACTED] and [REDACTED] with the VIN list for all Honda vehicles with an outstanding Affected Takata Airbag Inflator recall. [REDACTED] then provided Honda Australia with the purchaser's information. As a result, Honda Australia has been able to contact the owners of 1,557 vehicles purchased through these auction houses, and this activity is ongoing. In addition, Honda Australia commenced discussions with [REDACTED] in February 2017 to identify the scope of assistance that [REDACTED] could provide Honda Australia. [REDACTED] A formal agreement was entered into between Honda Australia and [REDACTED] in July 2017. [REDACTED] have now sent approximately 9000 email communications to all private Honda vehicle sellers and all non-Honda dealers requesting them to check whether their vehicle is subject to a recall using the Honda Australia VIN check tool located on Honda Australia's website, and setting out requisite steps if a recall is required. Since September 2017 [REDACTED] have been performing weekly checks on all Honda vehicles advertised on its website. Please refer to our submission in relation to the issue of section 127(2) of the ACL.</p>
	a	facilitate distribution of relevant information regarding the recall status of Vehicles in the market for second hand vehicles, including at vehicle auctions, through dealers or independent used cars lots, off lease programs and fleets, internet channels (such as Carsales, eBay, buyswapsell fora, Facebook, etc); and (b) incentivise replacement of Affected Takata Airbag Inflators.		
	2	A Supplier must submit the plan to the ACCC within one month of the commencement of this Recall Notice, and the ACCC will assess the adequacy of the plan and determine whether it meets the minimum requirements of this Recall Notice.		Please refer to Honda Australia's Recall Plan as provided to the ACCC with this submission which sets out detail in relation to working with salvage yards, and otherwise our submissions.
11		Consumer dispute resolution		

1	A Supplier of Vehicles must establish a dispute resolution mechanism or system that meets the requirements of this section, or ensure any existing dispute resolution mechanism or system meets the requirements of this section.	Effective dispute resolution and Recall Call Centre in place.	<p>Honda Australia currently operates a dedicated Recall Call Centre to manage and respond to inquiries from Recall Consumers and Honda Australia customers who own a vehicle the subject of a recall, Honda Australia established a dedicated recall call centre in May 2016 (Recall Call Centre). The Recall Call Centre is currently staffed by 27 full time employees. The Recall Call Centre manages incoming and outbound calls including translation services to assist consumers in 160 different languages. The Recall Call Centre operates from Melbourne to allow for effective training and engagement activities as Honda Australia's Head Office is also located in Melbourne.</p> <p>In order to assist as many Vehicle customers as possible, the Recall Call Centre has been operating extended trading hours since July 2017, being 8.00am to 9.00pm (AEST) Monday to Friday, and 8.30am to 5.00pm (AEST) Saturday and Sunday.</p> <p>Any Recall Consumer disputes encountered at the Recall Call Centre level are escalated to Honda Australia's Honda Australia's internal recall team and customer relations team.</p> <p>Please refer to the attached [REDACTED] Honda Australia Recall process document and Honda Australia Standard Operating Procedure for complaint handling.</p>	
2	A Supplier will use its best endeavours to ensure the dispute resolution mechanism or system is consistent with AS/NZS 10002:2014 Guidelines for complaint management in organizations, tailored as required to the Supplier's circumstances. The mechanism or system must feature, at a minimum, the following:	Honda Australia will review our existing process to ensure consistency with AS/NZS 10002:2014 Guidelines for complaint management in organizations.		
a	a consumer complaints person or team (number of staff as appropriate based on volume) dedicated to assisting Consumers with questions and complaints (this can be the same initial freecall contact number as required in Schedule 2);	Already in place.		
b	(b) a structure for prompt escalation of Consumer issues not able to be resolved through the complaints personnel, with such escalation to include attention of a qualified and informed person using best endeavours to assist the Consumer and resolve any dispute in accordance with the Supplier's obligations under the ACL.	Already in place.		

	3	If the Supplier is notified by a Regulator or the Commonwealth Department of Infrastructure and Regional Development of a dispute relating to an Affected Takata Airbag Inflator, the Supplier must use its best endeavours to deal promptly and fairly to address the dispute and manage it in accordance with the Supplier's obligations under the ACL.	Already in place.	Honda Australia use its best endeavours to assist.	

12		Record keeping and reporting		
	1	Subject to subsection (6), the Supplier must track, regularly document and assess:	Record keeping systems already in place recording all information relevant to each Recall Consumer.	<p>Honda Australia has an excellent record keeping system in place. Honda Australia documents against each affected VIN every letter that has been sent to that Recall Consumer, together with a record of the success of the communication. The database is updated on a regular basis. Honda Australia is currently in the process of integrating telephone and SMS contacts with each Recall Consumer into this database.</p> <p>Honda Australia also reports its completion rates to DIRD monthly in accordance with current industry practices.</p> <p>Comprehensive reporting processes have been and continue to be in place. Honda Australia reports on a quarterly and monthly basis to Honda Motor Co. on progress.</p> <p>In addition, Honda Australia Recall Team reports to the Senior Leadership Team on a Weekly basis conveying:</p> <ul style="list-style-type: none"> - # airbags affected - # airbags replaced - # airbags outstanding - # airbags in stock (Dealer & Honda Australia) - Parts availability - Letters sent - SMS sent - Customers waiting on parts - Call centre enquiries - Call centre bookings made - Weekly completions - State by State progress - Dealer completion performance - Detailed 'Critical' inflator progress - Other related activities
	a	the Supplier's compliance with this Recall Notice; and	Not yet implemented	
	b	the Supplier's recall and replacement rates; and	Currently in place	
	c	reports of any mis-deployment of a Consumer Good supplied by the Supplier, including full details regarding the facts and circumstances of the incident and those person(s) involved; and	No misdeployments have occurred since previous submission.	
	d	reports of any injuries or deaths anyone associates with mis-deployment of a Consumer Good supplied by the Supplier, including full details regarding the facts and circumstances of the incident and those person(s) involved; and	Currently in place	
	e	complaints from Consumers in respect of a Consumer Good supplied by the Supplier, or in respect of the Supplier's recall campaign, identified by issue and by location (State or Territory), and with information on how each complaint has been managed.	Currently in place	

2	Where data collected under the requirements in subsection (l) includes reports from person(s) regarding mis-deployment, injury, death, or complaints (eg, paragraphs 12(1)(c), (d) and (e)), the Supplier will to the ACCC as part of relevant reporting requirements obtain the name and contact details of person(s) involved in the reported incidents or complaint, and persons providing information, and the Supplier will seek consent from those person(s) to provide the names and contact details to the ACCC. Where the Supplier receives consent, the names and contact details of those persons will be provided to the ACCC as part of relevant reporting requirements.	This is not currently in place.	These are not actions that Honda Australia currently undertakes, but Honda Australia will comply with the Draft Recall Notice once initiated, by amending its documented processes.
3	In addition to the reporting requirements in subsection (4), a Supplier must notify the ACCC of any reports of which the Supplier is aware regarding injury or death anyone associates with mis-deployment of a Consumer Good supplied by the Supplier. The Supplier shall so notify the ACCC within two days of learning of such a report (excluding weekends and public holidays). If those injured or those reporting consent to provision of their contact details to the ACCC, then the Supplier shall supply those contact details to the ACCC, along with information on the substance of the incident.	Already reporting to the ACCC.	Honda Australia already has a process in place under which it reports to the ACCC.
4	Until further notice from the ACCC, and subject to subsections (3) and (6), a Supplier must provide to the ACCC within one month of the commencement of this Recall Notice, and then at the end of each calendar quarter or at an earlier date if requested by the ACCC:	Not a current action required by Honda Australia.	These are not actions that Honda Australia currently undertakes, but Honda Australia will comply with the Draft Recall Notice once initiated, on the basis of its existing plans as set out at sections 7, 9, 10 and 12 above.
a	the plans required under sections 7, 9 and 10, along with any updates to those plans; and		
b	a report summarising the information required to be tracked under subsection 12(1); and		
c	the independent auditor's reports provided to the Supplier under section 13.		
5	The ACCC may publish, publicly, in whole or in part, the reports referred to in this section and the plans referred to in sections 7, 9 and 10.	Honda Australia considers that reports provided to the ACCC including action taken by Honda Australia, are confidential to Honda Australia. However, as set out in our submission Honda Australia will consider any request made by the ACCC to publish information contained in the reports.	

	6	A Supplier may apply to the ACCC for an exemption from this section or for an end to the required periodic reporting. The ACCC may approve the exemption or end of reporting requirement only if the ACCC is satisfied that the Supplier's recall action has met the minimum requirements of this Recall Notice and has achieved a satisfactory replacement rate.	Please refer to Honda Australia's submission.		
13		Independent auditor			
	1	The Supplier must appoint an independent auditor to monitor the Supplier's compliance with this Recall Notice. The Supplier must submit the name and qualifications of their proposed independent auditor to the ACCC, so that the ACCC can assess independence and qualifications. The Supplier must identify any association between the proposed auditor and the Supplier which may be perceived to affect the auditor's independence. The ACCC will assess and notify the Supplier if it accepts the independence and qualifications of the auditor.	Honda Australia has and continues to treat this matter with the highest level of seriousness. On a weekly basis, the Honda Australia Senior Leadership Team monitors and assesses progress of completions, call centre activity,	Since 2009 Honda Australia has demonstrated its ability and willingness to effectively implement and manage the recalls of Affected Takata Airbag Inflators which is reflected in Honda Australia's current completion rate of 80%. As Honda Australia is so far progressed in the implementation and completion of recalls, it proposes to continue in accordance with its current plans. Honda Australia is prepared to report to the ACCC as and when required by the ACCC on all actions, plans, and its progress in relation to the recalls as detailed in our submissions.	
	2	The ACCC will consider joint nominations of an independent auditor by multiple Suppliers.		Please refer to our submission.	
	3	Subject to subsection (4), and until further notice from the ACCC, the independent auditor must provide a report to the Supplier and the ACCC at the end of each calendar quarter or at an earlier date if requested by the Supplier or the ACCC.		Please refer to our submission.	
	4	A Supplier may apply to the ACCC for an exemption from subsection (3). The ACCC may approve the exemption only if the ACCC is satisfied that the Supplier's recall action has met the minimum requirements of this Recall Notice and has achieved a satisfactory replacement rate.		Please refer to our submission.	
SUB TOTAL					\$ 3,046,048 \$ 10,729,963

SECTION	SUB-SECTION	ACCC STATEMENT	Current Situation	Detail
Part 2		RECALL		
5		Recall		
	1	The Supplier of any Consumer Goods must:		
	a	initiate the recall of the Consumer Goods in accordance with the timetable set out in Schedule 1 and with communications as set out in Schedule 2; and	Honda Australia has initiated a recall of all Alpha Affected Takata Airbag Inflators. In relation to the proposed timetable contained in Schedule 1 of the Draft Recall Notice please refer to Honda Australia's submission.	Schedule 1 of the Proposed Recall Notice triggers certain recall actions from the date of manufacture of the Affected Takata Airbag Inflator. This is not possible as Honda Australia cannot identify the age of each Affected Takata Airbag Inflator. As has been previously communicated to the ACCC, it makes more sense for the implementation of the remaining recalls to be done in accordance with the NHTSA schedule . In setting the schedule, the NHTSA report refers to the lifespan of the Affected Takata Airbag Inflators based on the year model of the Vehicle, and not date of manufacture of the Affected Takata Airbag Inflator. Accordingly, Honda Australia requests that the ACCC amend Schedule 1 of the Proposed Recall Notice, to bring it in line with the NHTSA schedule.
	b	replace the Affected Takata Airbag Inflator (in accordance with this section, section 6, and the timetable as set out in Schedule 1, but in any event by 31 December 2020) ; or	Please refer to comment above.	Honda Australia currently implements recalls in accordance with the NHTSA Schedule and is using its best endeavours to replace all Affected Takata Airbag Inflators the subject of a recall.
	c	subject to subsections (2) and (3), if the Affected Takata Airbag Inflator is not replaced as required by the Recall Notice and in accordance with the timetable set out in Schedule 1, or such other timetable approved by the ACCC under subsection (5), then, at the request of the owner of the Consumer Goods, refund the price of the Consumer Goods less, in the case of a Vehicle, a reasonable amount for use of the Vehicle where more than 12 months has passed since the Vehicle was supplied, where 'reasonable amount' means reasonable decrease in market value, as reflected by RedBook and taking into account relevant factors including the odometer reading and the condition of the vehicle.	Please refer to comment above.	Honda has implemented measures to ensure that Honda dealers prioritise the replacement of Affected Takata Airbag Inflators, as set out in our response at Schedule 2. Honda Australia's communications with Recall Consumers request that Recall Consumers immediately present their vehicle to a Honda dealership for urgent repairs.
	2	A Supplier will not be required by paragraph 5(l)(c) to refund the purchase price if:		
	a	the reason the Affected Takata Airbag Inflator was not replaced as required by this Recall Notice was:		
	(i)	that a notified Consumer did not present the Vehicle for replacement of the Affected Takata Airbag Inflator despite timely, proven notification; or	Every current Recall Consumer has been sent between 2 to 7 letters from Honda Australia in relation voluntary recalls.	As set out in Schedule 2, Honda Australia communicates with Recall Consumers on a number of a different communication platforms (where contact details are available) and continues to do so on a regular basis. Honda Australia to the extent it has contact details will continue these actions. Where it does not have the contact details, see paragraph 9 (d) of our submission.

	(ii)	that a Consumer could not be notified in circumstances where a Supplier implemented an approved communication and engagement plan as required by this Recall Notice.	Despite all actions implemented by Honda Australia, a number of consumers cannot be notified due to current inability to obtain accurate contact details. Honda Australia seeks the assistance of government authorities to locate accurate contact details as set out in our submission.	Honda Australia has provided to the ACCC its Communication and Engagement Plan with its submission. The major issue in being unable to notify consumers is accuracy of customer data especially for older vehicles, as is set out in our submission.	
	b	the Supplier provides the Consumer with a loan car or hire car, or offers to fund or provide alternative transportation which is acceptable to the Consumer, for the time that the Supplier is replacing the Affected Takata Airbag Inflator in the Consumer's Vehicle.	Where a Recall Consumer requests assistance from Honda Australia it is provided where possible, i.e. in the form of a loan vehicle.	Honda Australia has a documented process for the provision of alternative transportation to Recall Consumers who refuse to have their recall undertaken as a result of living too far away from a Honda dealership. The documented processes have been provided by Honda Australia to the ACCC with this submission.	
	3	A Supplier must comply with all of its obligations under the ACL, the CCA, and the TPA and nothing in the Recall Notice alters Consumer rights and remedies or Supplier obligations in respect of those provisions or otherwise under Australian law, including the consumer guarantees provisions of the ACL and the implied warranties provisions of the TPA.	Honda Australia conducts its business in accordance with all applicable laws.		
	4	Where a Supplier replaces an Affected Takata Airbag Inflator, the Supplier must bear the cost of the replacement, including any necessary transportation costs. In this regard:	Honda Australia covers the cost of the replacement of the Affected Takata Airbag Inflator.		
	a	if the replacement process will deprive the Consumer of the use of their Vehicle for more than 24 hours, the Supplier must offer to provide the Consumer with a loan or hire car, or offer to fund or provide alternative transportation which is acceptable to the Consumer for the duration of the replacement process; and	Where a Recall Consumer requests assistance from Honda Australia it is provided where possible by the relevant Dealer, on a case by case basis.	In the first instance, Honda dealers endeavour to perform replacement of Affected Takata Airbag Inflators on the same day the Recall Consumer brings their vehicle in for repairs. If this is not possible, and the Dealer cannot satisfy the customer, it is escalated to Honda Australia . To date, there are minor instances of this occurring.	
	b	if the Vehicle has an Alpha Inflator, then the Supplier must offer to arrange for the Vehicle to be towed to the place of replacement or for a qualified technician to travel to the Vehicle (or some similar arrangement so that the Consumer need not drive the Vehicle).	Honda Australia currently offers towing for all Recall Consumers on a case by case basis. Honda Australia also has a far reaching/remote technician service.	Towing is arranged through the Recall Call Centre in conjunction with Honda Australia upon reasonable requests. Technician service has been conducted in remote areas where there is no Honda dealership, and will be continued.	
	5	A Supplier may apply to the ACCC to vary a date specified in the timetable set out in Schedule 1. In considering the variation request and determining an appropriate varied timetable, if any, the ACCC will have regard to the following:	Currently intend to comply with NHTSA schedule which differs from the Proposed Recall Notice Schedule 1.	As set out at 1(a) above, Honda Australia's current intentions are to comply with the NHTSA schedule.	

	a	the safety risk to Consumers posed by the request;		
	b	the reasons and material submitted in support of the request for variation;		
	c	the steps the Supplier has taken to secure supply of replacement airbag inflators;		
	d	the steps the Supplier has taken to increase qualified repair personnel or facilities, as needed;		
	e	the steps the Supplier has taken to address the risk of death or injury associated with Vehicle use until the recall action is implemented (such as, for example, offering affected Consumers a loan or hire car).		
	6	Suppliers must put in place arrangements with their Dealers to allow Consumers to take their Vehicle to any Dealer within the Supplier's Dealer network for replacement of the Affected Takata Airbag Inflator in the Vehicle.	This policy is currently in place.	Honda Australia's policy is that Recall Consumers can have the Affected Takata Airbag Inflator replaced at any Dealership in the Honda dealer network.
6		Replacement of an Affected Takata Airbag Inflator		
	1	Where a Supplier, under section 5(l)(a) replaces an Affected Takata Airbag Inflator in a Vehicle, the following requirements apply:	Honda Australia no longer replaces Affected Takata Airbag Inflators with Affected Takata Airbag Inflators and has not done so since July 2017.	
	a	best endeavours must be used to replace an Affected Takata Airbag Inflator with an inflator that is not an Affected Takata Airbag Inflator;	Honda Australia is no longer replacing 'Like for like' inflators.	
	b	if, prior to 31 December 2020, it is considered necessary to use an Affected Takata Airbag Inflator as a replacement inflator, then the Supplier must:	Honda Australia no longer replaces Affected Takata Airbag Inflators with Affected Takata Airbag Inflators and has not done so since July 2017.	
	(i)	notify the Consumer (orally and in writing at the time of replacement) of the type of airbag inflator installed, that the inflator will need to be replaced again, and the date by which that replacement must occur (in accordance with Schedule 1). The Supplier must include the specified language set out in Schedule 2 in this communication; and	N/A	
	(ii)	(ii) record in the service record of the Vehicle that the Vehicle is installed with an Affected Takata Airbag Inflator and replacement of that Affected Takata Airbag Inflator is required before the date specified in Schedule 1. The Supplier must include the specified language set out in Schedule 2 in this service record note; and	N/A	

	(iii)	cause a notice to be affixed on the front windscreen and a metal plate or other durable label to be affixed in the engine bay clearly identifying that the Vehicle is fitted with an Affected Takata Airbag Inflator requiring replacement by the applicable date to avoid risk of injury or death. The Supplier must include the specified language set out in Schedule 2 in these notices;	N/A	
	c	from 31 December 2020, an Affected Takata Airbag Inflator must not be used as a replacement in any circumstances; and	Honda Australia is no longer replacing 'Like for like' inflators.	
	d	under no circumstances may an Alpha Inflator be used as a replacement inflator at any time.	Honda Australia is no longer replacing 'Like for like' inflators.	
	2	Where the Supplier removes an Affected Takata Airbag Inflator, the Supplier must ensure that it is immediately quarantined and promptly destroyed so that it cannot be reused, unless it is intended to be used for testing, in which case it must be labelled and handled in a manner to prevent re-use.		Honda Australia instructs its dealers to package the removed Affected Takata Airbag Inflators and Honda Australia arranges collection of these. Once returned to Honda Australia, the Affected Takata Airbag Inflators are collected by Takata's freight forwarder each week. The destruction of the Affected Takata Airbag Inflators occurs once they are returned to Japan, As far as Honda Australia is aware there is only one business in Australia that destroys Affected Takata Airbag Inflators, and their processing times are quite inefficient.
7		Notification of affected Consumers		
	1	A Supplier must develop and implement a communication and engagement plan to maximise replacement rates for a recall under section 5. The plan must, at a minimum, meet the requirements in Schedule 2.	Honda Australia has in place a Communications and Engagement Plan which we have provided to the ACCC together with this submission.	
	2	A Supplier must submit the plan to the ACCC within one month of the commencement of this Recall Notice, and the ACCC will assess the adequacy of the plan and determine whether it meets the minimum requirements of this Recall Notice, having regard to a range of factors including the Supplier's supply profile of Consumer Goods, and relevant data concerning replacement, including replacement rates.	Honda Australia already has an effective communication and engagement plan in place.	
8		Recall database		

	1	A Supplier of Vehicles must establish and maintain a database on the Supplier's website that allows Consumers to enter a Vehicle Identification Number (VIN) into a search field and obtain immediate information about inclusion of the vehicle in the recall, the applicable recall timetable and status for the Vehicle.	Already in place.	Honda Australia's dedicated recall website went live in May 2015. Shortly after, in June 2015, to better assist Recall Consumers, Honda Australia added a VIN check tool (https://www.honda.com.au/my-honda/services/recall-information/check-my-honda.html) to its recall website. This tool allows Honda consumers to check if their vehicle is affected by a recall of Honda vehicles by entering their VIN. If the Honda vehicle is affected by a recall, the website provides information to the consumer about the recall campaign number, safety risks, and next steps required to be undertaken by the Recall Consumer.
	2	The Supplier must provide the ACCC with access to this database via an Application Program Interface (API).	Not in place.	Honda Australia does not currently provide the ACCC with access to its database. Honda Australia can provide the ACCC with access once it understands what information the ACCC requires access to.
9		Life of Product Action: Salvaged Affected Takata Airbag Inflators		
	1	A Supplier of Vehicles must develop, and implement, a salvage plan to maximise the removal of Affected Takata Airbag Inflators from Vehicles that are scrapped or otherwise unregistered and not in use. The plan must, at a minimum, set out a process and provide a financial incentive for persons to recover, and return to the Supplier for destruction, Affected Takata Airbag Inflators from Vehicles that are in scrapyards or otherwise not in use.	Already working with wreckers.	Honda Australia has also worked with vehicle wreckers to obtain VINs of Honda vehicles the wreckers have purchased that are affected by the recalls. As a result, Honda Australia has purchased more than 800 Affected Takata Airbag inflators from these wreckers to avoid any possibility of them being fitted to other Honda vehicles.
	2	A Supplier must submit the salvage plan to the ACCC within one month of the commencement of this Recall Notice, and the ACCC will assess the adequacy of the plan and determine whether it meets the minimum requirements of this Recall Notice.		Please refer to Honda Australia's Recall Plan as provided to the ACCC with this submission which sets out detail in relation to working with [REDACTED] and auction houses.

10		Life of Product Action: Secondhand Consumer Goods		
	1	A Supplier of Vehicles must develop a plan to maximise the replacement of Affected Takata Airbag Inflators in Vehicles that have been or are being sold second-hand. The plan must be designed to:	Already working with some secondhand independent sellers, i.e. [REDACTED]	<p>In February 2017, Honda Australia worked with two major vehicle auction houses, [REDACTED] to obtain contact details of Recall Consumers who purchased used Honda vehicles affected by a recall from their auction houses. Honda Australia provided [REDACTED] with the VIN list for all Honda vehicles with an outstanding Affected Takata Airbag Inflator recall. [REDACTED] then provided Honda Australia with the purchaser's information. As a result, Honda Australia has been able to contact the owners of 1,557 vehicles purchased through these auction houses, and this activity is ongoing. In addition, Honda Australia commenced discussions with [REDACTED] in February 2017 to identify the scope of assistance that [REDACTED] could provide Honda Australia. [REDACTED] [REDACTED] A formal agreement was entered into between Honda Australia and [REDACTED] in July 2017. [REDACTED] have now sent approximately 9000 email communications to all private Honda vehicle sellers and all non-Honda dealers requesting them to check whether their vehicle is subject to a recall using the Honda Australia VIN check tool located on Honda Australia's website, and setting out requisite steps if a recall is required. Since September 2017 [REDACTED] have been performing weekly checks on all Honda vehicles advertised on its website. Please refer to our submission in relation to the issue of section 127(2) of the ACL.</p>
	a	facilitate distribution of relevant information regarding the recall status of Vehicles in the market for second hand vehicles, including at vehicle auctions, through dealers or independent used cars lots, off lease programs and fleets, internet channels [REDACTED] and (b) incentivise replacement of Affected Takata Airbag Inflators.		
	2	A Supplier must submit the plan to the ACCC within one month of the commencement of this Recall Notice, and the ACCC will assess the adequacy of the plan and determine whether it meets the minimum requirements of this Recall Notice.		Please refer to Honda Australia's Recall Plan as provided to the ACCC with this submission which sets out detail in relation to working with salvage yards, and otherwise our submissions.
11		Consumer dispute resolution		

1	A Supplier of Vehicles must establish a dispute resolution mechanism or system that meets the requirements of this section, or ensure any existing dispute resolution mechanism or system meets the requirements of this section.	Effective dispute resolution and Recall Call Centre in place.	<p>Honda Australia currently operates a dedicated Recall Call Centre to manage and respond to inquiries from Recall Consumers and Honda Australia customers who own a vehicle the subject of a recall, Honda Australia established a dedicated recall call centre in May 2016 (Recall Call Centre). The Recall Call Centre is currently staffed by 27 full time employees. The Recall Call Centre manages incoming and outbound calls including translation services to assist consumers in 160 different languages. The Recall Call Centre operates from Melbourne to allow for effective training and engagement activities as Honda Australia's Head Office is also located in Melbourne.</p> <p>In order to assist as many Vehicle customers as possible, the Recall Call Centre has been operating extended trading hours since July 2017, being 8.00am to 9.00pm (AEST) Monday to Friday, and 8.30am to 5.00pm (AEST) Saturday and Sunday.</p> <p>Any Recall Consumer disputes encountered at the Recall Call Centre level are escalated to Honda Australia's Honda Australia's internal recall team and customer relations team.</p> <p>Please refer to the attached [REDACTED] Honda Australia Recall process document and Honda Australia Standard Operating Procedure for complaint handling.</p>	
2	A Supplier will use its best endeavours to ensure the dispute resolution mechanism or system is consistent with AS/NZS 10002:2014 Guidelines for complaint management in organizations, tailored as required to the Supplier's circumstances. The mechanism or system must feature, at a minimum, the following:	Honda Australia will review our existing process to ensure consistency with AS/NZS 10002:2014 Guidelines for complaint management in organizations.		
a	a consumer complaints person or team (number of staff as appropriate based on volume) dedicated to assisting Consumers with questions and complaints (this can be the same initial freecall contact number as required in Schedule 2);	Already in place.		
b	(b) a structure for prompt escalation of Consumer issues not able to be resolved through the complaints personnel, with such escalation to include attention of a qualified and informed person using best endeavours to assist the Consumer and resolve any dispute in accordance with the Supplier's obligations under the ACL.	Already in place.		

	3	If the Supplier is notified by a Regulator or the Commonwealth Department of Infrastructure and Regional Development of a dispute relating to an Affected Takata Airbag Inflator, the Supplier must use its best endeavours to deal promptly and fairly to address the dispute and manage it in accordance with the Supplier's obligations under the ACL.	Already in place.	Honda Australia use its best endeavours to assist.	

12		Record keeping and reporting		
	1	Subject to subsection (6), the Supplier must track, regularly document and assess:	Record keeping systems already in place recording all information relevant to each Recall Consumer.	<p>Honda Australia has an excellent record keeping system in place. Honda Australia documents against each affected VIN every letter that has been sent to that Recall Consumer, together with a record of the success of the communication. The database is updated on a regular basis. Honda Australia is currently in the process of integrating telephone and SMS contacts with each Recall Consumer into this database.</p> <p>Honda Australia also reports its completion rates to DIRD monthly in accordance with current industry practices.</p> <p>Comprehensive reporting processes have been and continue to be in place. Honda Australia reports on a quarterly and monthly basis to Honda Motor Co. on progress.</p> <p>In addition, Honda Australia Recall Team reports to the Senior Leadership Team on a Weekly basis converging:</p> <ul style="list-style-type: none"> - # airbags affected - # airbags replaced - # airbags outstanding - # airbags in stock (Dealer & Honda Australia) - Parts availability - Letters sent - SMS sent - Customers waiting on parts - Call centre enquiries - Call centre bookings made - Weekly completions - State by State progress - Dealer completion performance - Detailed 'Critical' inflator progress - Other related activities
	a	the Supplier's compliance with this Recall Notice; and	Not yet implemented	
	b	the Supplier's recall and replacement rates; and	Currently in place	
	c	reports of any mis-deployment of a Consumer Good supplied by the Supplier, including full details regarding the facts and circumstances of the incident and those person(s) involved; and	No misdeployments have occurred since previous submission.	
	d	reports of any injuries or deaths anyone associates with mis-deployment of a Consumer Good supplied by the Supplier, including full details regarding the facts and circumstances of the incident and those person(s) involved; and	Currently in place	
	e	complaints from Consumers in respect of a Consumer Good supplied by the Supplier, or in respect of the Supplier's recall campaign, identified by issue and by location (State or Territory), and with information on how each complaint has been managed.	Currently in place	

2	Where data collected under the requirements in subsection (l) includes reports from person(s) regarding mis-deployment, injury, death, or complaints (eg, paragraphs 12(1)(c), (d) and (e)), the Supplier will to the ACCC as part of relevant reporting requirements obtain the name and contact details of person(s) involved in the reported incidents or complaint, and persons providing information, and the Supplier will seek consent from those person(s) to provide the names and contact details to the ACCC. Where the Supplier receives consent, the names and contact details of those persons will be provided to the ACCC as part of relevant reporting requirements.	This is not currently in place.	These are not actions that Honda Australia currently undertakes, but Honda Australia will comply with the Draft Recall Notice once initiated, by amending its documented processes.
3	In addition to the reporting requirements in subsection (4), a Supplier must notify the ACCC of any reports of which the Supplier is aware regarding injury or death anyone associates with mis-deployment of a Consumer Good supplied by the Supplier. The Supplier shall so notify the ACCC within two days of learning of such a report (excluding weekends and public holidays). If those injured or those reporting consent to provision of their contact details to the ACCC, then the Supplier shall supply those contact details to the ACCC, along with information on the substance of the incident.	Already reporting to the ACCC.	Honda Australia already has a process in place under which it reports to the ACCC.
4	Until further notice from the ACCC, and subject to subsections (3) and (6), a Supplier must provide to the ACCC within one month of the commencement of this Recall Notice, and then at the end of each calendar quarter or at an earlier date if requested by the ACCC:	Not a current action required by Honda Australia.	These are not actions that Honda Australia currently undertakes, but Honda Australia will comply with the Draft Recall Notice once initiated, on the basis of its existing plans as set out at sections 7, 9, 10 and 12 above.
a	the plans required under sections 7, 9 and 10, along with any updates to those plans; and		
b	a report summarising the information required to be tracked under subsection 12(1); and		
c	the independent auditor's reports provided to the Supplier under section 13.		
5	The ACCC may publish, publicly, in whole or in part, the reports referred to in this section and the plans referred to in sections 7, 9 and 10.	Honda Australia considers that reports provided to the ACCC including action taken by Honda Australia, are confidential to Honda Australia. However, as set out in our submission Honda Australia will consider any request made by the ACCC to publish information contained in the reports.	

	6	A Supplier may apply to the ACCC for an exemption from this section or for an end to the required periodic reporting. The ACCC may approve the exemption or end of reporting requirement only if the ACCC is satisfied that the Supplier's recall action has met the minimum requirements of this Recall Notice and has achieved a satisfactory replacement rate.	Please refer to Honda Australia's submission.		
13		Independent auditor			
	1	The Supplier must appoint an independent auditor to monitor the Supplier's compliance with this Recall Notice. The Supplier must submit the name and qualifications of their proposed independent auditor to the ACCC, so that the ACCC can assess independence and qualifications. The Supplier must identify any association between the proposed auditor and the Supplier which may be perceived to affect the auditor's independence. The ACCC will assess and notify the Supplier if it accepts the independence and qualifications of the auditor.	Honda Australia has and continues to treat this matter with the highest level of seriousness. On a weekly basis, the Honda Australia Senior Leadership Team monitors and assesses progress of completions, call centre activity,	Since 2009 Honda Australia has demonstrated its ability and willingness to effectively implement and manage the recalls of Affected Takata Airbag Inflators which is reflected in Honda Australia's current completion rate of 80%. As Honda Australia is so far progressed in the implementation and completion of recalls, it proposes to continue in accordance with its current plans. Honda Australia is prepared to report to the ACCC as and when required by the ACCC on all actions, plans, and its progress in relation to the recalls as detailed in our submissions.	
	2	The ACCC will consider joint nominations of an independent auditor by multiple Suppliers.		Please refer to our submission.	
	3	Subject to subsection (4), and until further notice from the ACCC, the independent auditor must provide a report to the Supplier and the ACCC at the end of each calendar quarter or at an earlier date if requested by the Supplier or the ACCC.		Please refer to our submission.	
	4	A Supplier may apply to the ACCC for an exemption from subsection (3). The ACCC may approve the exemption only if the ACCC is satisfied that the Supplier's recall action has met the minimum requirements of this Recall Notice and has achieved a satisfactory replacement rate.		Please refer to our submission.	
SUB TOTAL					\$ 3,046,048 \$ 10,729,963

ACCC RECALL TIMETABLE

Schedule 1 Recall Timetable			
Type of Airbag Inflator	Time by which Recall Action Initiated	Time by which Affected Takata Airbag Inflators must be replaced	Current situation
Alpha inflator			Honda Australia has recalled all Critical Inflators. Please refer to our submission in relation to Honda Australia's current systems which ensure the prioritisation of the replacement of Critical Inflators. Please also refer to our submission in relation to Honda Australia's position that 1 business day from which the part is available at the relevant Honda dealer is a more appropriate timeframe than within 1 business day of being contacted by the Recall Consumer. Please refer to the detail set out in our submission in this regard.
	Immediately upon commencement of this Recall Notice	A Vehicle must have its Affected Takata Airbag Inflator replaced the following business day after being contacted by the Consumer or such other date as requested by the Consumer	
Takata Inflators using PSAN with no desiccant or using PSAN with calcium sulphate desiccant where five years have passed since manufacture	Immediately upon the commencement of this Recall Notice	A Vehicle must have its Affected Takata Airbag Inflator replaced as soon as practicable, and in any case within one month of being contacted by the Consumer.	As set out in Honda Australia's submission, the date needs to be the date of vehicle manufacture, and not the date of the inflator manufacture. Please refer to our submission for further information in relation to Honda Australia's position that Schedule 1 of the Draft Recall Notice align with the NHTSA schedule Zone A which is to the right of this table for ease of reference. Subject to this change, Honda Australia will comply with the replacement timetable, being as soon as practicable, and within one month of being contactd by Recall Consumer.
Takata Inflators using PSAN with no desiccant or using PSAN with calcium Sulphate desiccant where less than five years have passed since manufacture	Within five years and three months from the date of manufacture of the Affected Takata Airbag Inflator, or by 31 December 2019, whichever is earlier.	A Vehicle must have its Affected Takata Airbag Inflator replaced within six years from the date of manufacture of the Affected Takata Airbag Inflator, or by 31 December 2020, whichever is earlier.	As set out in Honda Australia's submission, the date needs to be the date of vehicle manufacture, and not the date of the inflator manufacture. Please refer to our submission for further information in relation to Honda Australia's submission that this Schedule 1 align with the NHTSA schedule Zone A which is to the right of this table for ease of reference. Subject to this change, Honda Australia will comply with the replacement timetable, being as soon as practicable, and within one month of being contactd by Recall Consumer.

NHTSA RECALL TIMETABLE (Australia is Zone A)

DIR Dates	Zone A Population	Zone B Population	Zone C Population
May 16, 2016	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators - MY 2011 & older	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators - MY 2008 & older	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators - MY 2004 & older
December 31, 2016	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators – MY 2012 & older	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators – MY 2009 & older	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators – MY 2008 & older
December 31, 2017	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators - MY 2013 & older	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators – MY 2010 & older	All vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators - MY 2009 & older
December 31, 2018	All remaining vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators	All remaining vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators	All remaining vehicles not currently under recall containing non-desiccated frontal Takata PSAN inflators
December 31, 2019	All like for like non-desiccated frontal Takata PSAN replacement parts	All like for like non-desiccated frontal Takata PSAN replacement parts	All like for like non-desiccated frontal Takata PSAN replacement parts

Schedule 2

SECTION N	SUB-SECTION	ACCC STATEMENT	Current situation	Detail
Part A		Communications to Consumers implementing the requirements of the Recall Notice must use at least the language prescribed below, as applicable depending on the relevant Vehicle. Communications must not seek to downplay or otherwise undermine or confuse the message of the prescribed language.		
	1	Identification of defect in Vehicles and risk of harm posed by defect		
	a	<p>Suppliers must clearly identify the defect in Vehicles and the risk of harm posed by that defect. In doing so, Suppliers must include at least the following statements:</p> <p>For Vehicles fitted with an Alpha Inflator: "Stop driving your vehicle immediately! You and others in your vehicle are at risk of serious injury and death from your vehicle's defective airbag. Contact a [vehicle type] dealer immediately to arrange for your airbag to be replaced.</p> <p>Your [name and model of vehicle] is installed with a Takata airbag. A defect in the inflator in your airbag can cause it to deploy with much greater force than intended, causing sharp metal fragments to fly at high speed toward people in the vehicle. This could cause serious injury or death. You should stop driving your vehicle and immediately contact a [vehicle type] dealer to arrange for the airbag inflator to be replaced."</p>	<p>Honda Australia are currently using effective communication methods which includes the following wording: What are the defects? If an affected vehicle is involved in an accident and the airbag goes off, the airbag inflator may rupture. What are the hazards? In the event of an airbag inflator rupture, metal fragments could possibly shoot out straight through the airbag cushion material towards the vehicle occupants causing serious injury or fatality. What should consumers do? Owners of affected vehicles should have received a letter from Honda Australia asking them to contact a Honda dealership or the Honda Recall Call Centre to arrange replacement of the airbag inflator free of charge. If they have not already done so, owners must immediately contact a Honda dealership or the call centre, to arrange the repairs urgently. Owners of Honda vehicles can check if their vehicle is affected by the Takata airbag recall at https://www.honda.com.au/recall.html or by calling 1800 789 839 (Mon-Fri 9am-5pm AEST) for further information and, if their vehicle is affected by the Takata airbag recall, to arrange a booking for an authorised Honda dealer to replace the airbag inflator free of charge. * (Alpha letter) Owners of affected vehicles should have received a letter from Honda Australia asking them to contact a Honda dealership or Honda Recall Call Centre to arrange replacement of the airbag inflator free of charge. Customers should immediately drive their vehicle directly to a Honda dealer for urgent repair. If for any reason a customer cannot present affected vehicle to a dealership please contact the Recall Call Centre immediately for alternate arrangements. Owners of Honda vehicles can check if their vehicle is affected by the Takata airbag recall at https://www.honda.com.au/recall.html or by calling 1800 789 839 (Mon-Fri 9am-5pm AEST) for further information and, if their vehicle is affected by the Takata airbag recall, to arrange a booking for an authorised Honda dealer to replace the airbag inflator free of charge.</p>	<p>Earlier this year, Honda Australia conducted research to determine the most effective manner in which to communicate with its customers.</p> <p>The research conducted involved a series of interviews with Recall Consumers who were 'acceptors' and 'rejectors' of the recall letters Honda Australia had sent to Recall Consumers. The interviews were facilitated by [REDACTED] (the agency that run the Honda Australia Recall Call Centre), and Honda Australia's agent, [REDACTED]. [REDACTED] then prepared a PDF report on its findings, which is attached to Honda Australia's submission. Honda Australia has since implemented a number of measures recommended by the research findings, including:</p> <ul style="list-style-type: none">- simplifying our letters;- removing the Honda logo from envelopes;- extended the Recall Call Centre hours;- improved timing of letters;- new simpler URL to dedicated recall website <p>A copy of Honda Australia's current letter to Alpha and SDI inflator customers (which Honda Australia has previously referred to as 'Critical' Recall Consumers in its correspondence with the ACCC) is attached to Honda Australia's submission. The letter illustrates the simplified wording that Honda Australia has been using in its letters since July 2017. The images of a vehicle post deployment of an Affected Takata Airbag Inflator have been added and will form part of October 2017 mailouts.</p> <p>Since implementing the simplified letters in July 2017, 25% of Recall Consumers have had their Affected Takata Airbag Inflators replaced, which is a reasonably effective response.</p>
	b	<p>For Vehicles fitted with Affected Takata Airbag Inflators that are not Alpha Inflators and which were manufactured more than five years previously:</p> <p>"Your vehicle's airbag is defective and poses a risk of serious injury and death to you and other people in your vehicle. You should immediately contact a [vehicle type] dealer to arrange for the airbag to be replaced.</p> <p>Your [name and model of vehicle] is installed with a Takata airbag with a defective inflator. Over time, moisture can affect the propellant in airbags with the defect, so that they deploy with much greater force than intended, causing sharp metal fragments to fly at high speed toward people in the vehicle. This could cause serious injury or death. You should urgently contact a [vehicle type] dealer to arrange for the airbag inflator to be replaced.</p>	<p>Honda Australia are currently using effective wording in communications with Recall Consumers see above.</p>	<p>As with the letter that Honda Australia sent to Critical Recall Consumers, Honda Australia has prepared a letter in accordance with the research set out above, on behalf of Honda Australia. As set out above, 25% of Recall Customers who received this letter, have had thier Affected Takata Airbag Inflator replaced which is a reasonably effective response.</p>

	c	<p>For Vehicles fitted with Affected Takata Airbag Inflators that are not Alpha Inflators and which were manufactured less than five years previously:</p> <p>"Your vehicle's airbag is defective and, when it reaches a certain age, will pose a risk of serious injury or death to you and other people in your vehicle. The airbag poses no risk of harm now, but soon will. Please contact [vehicle type] dealer to arrange for the airbag inflator to be replaced.</p> <p>Your [name and model of vehicle] is installed with a Takata airbag with a defective inflator. Over time, moisture can affect the propellant in airbags with the defect, so that they deploy with much greater force than intended, causing sharp metal fragments to fly at high speed toward people in the vehicle. This could cause serious injury or death. It is important that you keep a record of this communication and inform other users of your Vehicle of this safety issue.</p> <p>If you have any questions about this issue, you can contact [vehicle manufacturer] on [inset phone number] for further information"</p>	Honda Australia are currently using effective wording in communications with Recall Consumers.	Once a recall of these vehicles is implemented, due to the effectiveness of Honda Australia's communications in their current form, Honda Australia proposes to continue using the wording and imagery as attached to this table as set out for the Affected Takata Airbag Inflators that are more than 5 years old.	
	d	Where the Affected Takata Airbag Inflator is approaching five years post manufacture, Suppliers should consider using the language prescribed in section 5(1)(b) rather than 5(1)(c).	Honda Australia are currently using effective wording in communications with Recall Consumers.	Please refer to our comments above.	
	e	For advertisements, traditional media, and social media campaigns, the above language can be modified only insofar as necessary to shift the message to the broader group of consumers rather than the one on one communications specified above (e.g., rather than "your vehicle", "ABCBrand/Model vehicles" etc.)	Honda Australia are currently using effective wording in media press releases.	As set out above, the changes that Honda Australia has implemented in its written communications as a result of research into effective communication methods and surveys of Recall Consumers, has led to improvements in our completion rate. Accordingly, we would also proposes to use this wording, with edits appropriate for a public audience.	
2		Notification and record keeping where an Affected Takata Airbag Inflator is replaced with another Affected Takata Airbag Inflator			
	a	If a Supplier replaces an Affected Takata Airbag Inflator with another Affected Takata Airbag Inflator, then the Supplier must do the following:	Honda Australia ceased replacing Affected Takata Airbag Inflators in July 2017 and will no re-commence moving forward.		
	(i)	<p>inform the Vehicle owner orally and in writing at the time of replacement that this has occurred, and that communication must include the following statement:</p> <p>"In repairing your vehicle, the Takata airbag inflator with the defect was removed and replaced with a newer Takata airbag inflator which also has a defect. The newer airbag inflator now fitted in your vehicle is safe at this time, but must be replaced by [insert date in accordance with Schedule 1]</p> <p>It is critical that the airbag inflator be replaced again before that time. We will contact you to arrange for the replacement. Please make a note of this information, and inform any new owner or user of the Vehicle that the airbag requires replacement by that [insert date in accordance with Schedule 1]."</p>			
	(ii)	<p>record at least the following statement in the service record of the Vehicle:</p> <p>"This vehicle is installed with a Takata airbag inflator which has been recalled due to a safety defect. The inflator is in the [specify airbag], and must be replaced before [the date specified in Schedule 1]."</p>	N/A		
	(iii)	<p>cause a notice to be affixed on the Vehicle's front windscreen and a metal plate or other durable label to be affixed in the Vehicle's engine bay containing at least the following statement:</p> <p>"This vehicle is fitted with a recalled Takata PSAN airbag inflator in the [specify airbag]. Replace by no later than [the applicable date specified in Schedule 1] to avoid risk of injury or death."</p>	N/A		

	b	If a Supplier has replaced an Affected Takata Airbag Inflator with another Affected Takata Airbag Inflator prior to the commencement of this Recall Notice, the Supplier is to inform the Vehicle owner in writing that this has occurred as soon as possible in accordance with the language prescribed at (2)(a)(i) above.		Honda Australia will communicate to all such Recall Consumers as soon as possible as per this requirement.	
Part B		Engagement plan			
		Suppliers must submit an engagement plan to the ACCC comprising at least the following components:			
1		<p>A comprehensive consumer communications strategy that employs a range of outreach techniques.</p> <p>That strategy must:</p>	Honda Australia has and continues to employ effective communications with Recall Consumers.	<p>As set out above, Honda Australia has invested in research to ascertain effective means of communicating with Recall Consumers.</p> <p>Honda Australia has sent multiple letters to all known Recall Consumers. All known Recall Consumers have been sent between 2 and 7 letters and Critical Recall Consumers have received one via registered mail, with each letter containing progressively more detailed text and images highlighting the safety risks posed by Affected Takata Airbag Inflators. Examples of these letters for each recall have previously been provided to the ACCC with Honda Australia's responses to the Disclosure Notice.</p> <p>Subject to Honda Australia's accessibility to Recall Consumer's contact details, letters have been followed up with emails, SMS text messages and outbound telephone calls from Honda Australia's dedicated Recall Call Centre. We will continue to do so where Recall Consumer contact details are available, however as set out in our submission we require assistance from the Government in relation to Non-active Customers where contact details are not available.</p> <p>Please see our Customer and Engagement Plan provided to the ACCC.</p>	
	a	Include prominent advertisements in print newspapers in every market into which they supply and at least one national paper, as well as a media release and other forms of mainstream media coverage such as television and radio. The requirements in Part A of this Schedule regarding prescribed language for description of the defect and gravity of the hazard must be followed.	Honda Australia has not yet advertised in a national newspaper.	<p>Honda Australia does not currently advertise in newspapers, TV or radio. Honda Australia submits that it is unlikely to send an effective message to Recall Consumers if all manufacturers involved in the recall are required to publish in newspapers across Australia.</p> <p>Honda Australia will comply if required, but strongly believes a total industry approach would be more effective. This may involve pooling funds managed by FCAI and strategically communicating an industry wide Takata message. This advertising is then more likely to continue on a monthly basis.</p> <p>Honda Australia has previously presented to the Takata working group /DIRD a proposal in this regard.</p>	
	b	Employ at least three of the following means of targeted outreach:		Honda Australia's communication plan is currently driving an average of 8,500 repairs per week (at August 2017). Our current communication plan has included for example in August, where contact details are available, Recall Consumers have received 4 communications in August, some, where contact details permitted, received a letter, SMS, email and telephone call. At a minimum all were sent a letter. As is evidenced by our current rectification rate, our processes have been effective in continuing to increase the number of Vehicles being rectified. Honda Australia proposes to continue on this basis where possible, please refer to our submission in relation to Non-active Customers.	
	(i)	Social media (e.g. Facebook, Twitter, YouTube, etc.)	Honda Australia has used Facebook to communicate busy periods for the Recall Call Centre.	Honda Australia posted on its Facebook page messages to customers in busy periods for the Recall Call Centre. Additional plans are being developed for targeted social media campaigns.	
	(ii)	Digital advertising (e.g. news websites)	Honda Australia regularly engages with automotive media.	As provided in previous submissions, Honda Australia has already engaged with the automotive media in various publications. Honda Australia also holds round table meetings with the automotive media to generate Takata Airbag targeted articles and press releases. Honda Australia intends to continue to do this.	
	(iii)	Email	Honda Australia sends numerous emails where details available.	Where the recall customer's email address is available, Honda Australia has sent two emails to each Recall Consumer during August 2017..	

	(iv)	Telephone calls	Honda Australia calls Recall Consumers where telephone number available.	Where the Recall Consumer's telephone number is available, Honda Australia currently attempts to contact Recall Consumers by phone and is currently conducting over 4,000 outbound calls per month. This varies per month depending on the number of inbound calls the recall call centre is required to manage. In September 2017, 523 calls have resulted in bookings for replacements of Affected Takata Airbag Inflatorss, from 4,000 attempted calls. In total, for the month of September 2017, inbound and outbound calls have resulted in 13,772 bookings.
	(v)	Text messaging	Honda Australia sends text messages where Recall Consumer's mobile phone number available.	Where the Recall Consumer's mobile phone number is available, Honda Australia has sent 34,500 SMS text messages. Every Recall Consumer that has provided Honda Australia with a mobile phone number was sent a text message, and we will continue to do this where contact details are available, in accordance with our Recall Plan as submitted to the ACCC.
	(iv)	In-person visit	Honda Australia has trialled in-person visits.	<p>To assess the effectiveness of personal visits, 4 members of the Honda Australia Leadership team personally conducted trials in their local area in Melbourne, Victoria. Where the Recall Consumer was at home, and available to speak, the seriousness of the recall was explained. The Recall Consumer was also informed that that Honda Australia has been trying to contact them. Where the Recall Consumer was not home / available, Honda Australia's current letter (as sent 2 weeks earlier) was left at the premises, either on the affected Vehicle, or at the front door.</p> <p>This trial is ongoing and whilst a number of consumers indicated their appreciation of the effort undertaken to contact them, initial findings are showing some barriers to completing this at mass level, including:</p> <ul style="list-style-type: none"> - Incorrect Address details - Incorrect [REDACTED] data - Vehicles had been destroyed - written off - Language barriers - Availability of Recall Consumer <p>Given the remainder of Honda's outstanding recall consumers are non-active, Honda intends to continue with this activity at some level to further determine its scalability.</p>
	c	Coordinate and distribute communications across different outreach channels to ensure that each Vehicle in a launched campaign is promoted in at least one form of outreach per month until the Vehicle is remedied unless the Supplier has notified the ACCC that the Vehicle has been excluded from recall outreach as scrapped, stolen, exported or otherwise unreachable.	Honda Australia employ different methods and continuously contact Recall Consumers.	As set out above, Honda Australia is currently contacting Recall Consumers via multiple targeted communications each month.
	d	Employ high-quality and up-to-date owner contact information in conducting outreach.	Honda Australia has employed a number of methods to obtain current contact information.	<p>In April 2016, Honda Australia engaged the services of a third party data validation company, [REDACTED], to review data where Honda Australia had not been able to locate current owners of affected vehicles, and where it considered the data from [REDACTED] to be inaccurate (for example, as a result of bounce-back letters, emails and texts). Honda Australia has previously shared details of this work, including an analysis of the accuracy of the [REDACTED] data, with all other affected manufacturers, the Department of Infrastructure and Regional Development (DIRD) and the ACCC.</p> <p>Honda Australia also trialled engaging a debt recovery agency for one of its earlier recalls to assist with locating Recall Customers.</p> <p>These processes, coupled with [REDACTED] now being able to provide both postal and residential addresses for Recall Consumer, have improved Honda Australia's completion rate. As detailed in our submission, Honda Australia requires government assistance to obtain correct and accurate owner contact information for the outstanding Recall Consumers.</p>
	e	Pursue data from multiple sources beyond those that rely primarily on State and Territory vehicle registration records.	Honda Australia has employed a number of methods to obtain current contact information.	In addition to the data sources set out above, Honda Australia is currently working with [REDACTED] and auction houses [REDACTED] and [REDACTED] (as detailed below) in an attempt to contact/obtain the current contact details of owners of Vehicles subject to a recall.

f	Increase the frequency with which updated owner contact information is obtained, especially for older model-year Vehicles that may change hands frequently in the secondary market.	Currently multiple avenues where Recall Consumers can update contact information. Honda Australia also employing multiple methods of obtaining information for secondhand vehicles as set out above.	As set out above, Honda Australia has been working with [REDACTED], to obtain current contact information of secondhand vehicles the subject of a recall. To do this, Honda Australia provides the affected VINs to [REDACTED] and [REDACTED] of vehicles that are identified by the [REDACTED] data to be registered to these auction houses. Currently Recall Consumers can update their contact details with Honda Australia via the Honda Australia website, and via calling the Recall Call Centre. All Recall Consumers who contact the Recall Call Centre are asked at the commencement of their call to update/confirm their contact details. Recall Consumers can also update their contact details with Honda dealers at any time. Honda Australia previously included a form for Recall Consumers to update their contact details on all letters. However, as a result of the research into effective communications, Honda Australia removed this from its letters in order to keep the messaging clear, and present the letters in a simple format. In addition, Honda Australia obtains updated contact information from [REDACTED] before each mail out via post.	
g	Include methods to proactively maintain up-to-date contact information for Vehicle owners:		Please refer to our methods set out above.	
(i)	Even in scenarios where remedy parts are not yet available for the Vehicle, request that the owner take action to confirm or update the owner's contact information, and offer multiple, convenient means for doing so (e.g. a form available on the Supplier's website, a dedicated phone number, a postage-paid card the owner can mail back).	Previously Honda Australia has completed this type of communication whereby a new recall is launched but no parts are available.	When parts shortages existed, Honda Australia communicated this with Recall Consumers and asked them to update their contact information with us. Currently, there are no parts shortages and all Recall Consumers receive the letters as set out above and attached.	
(ii)	Whenever the Supplier receives updated owner contact information for a Vehicle, ensure that at least one mailed communication for which delivery can be confirmed (e.g., registered post) is sent to the new address and, if a telephone number is obtained, a telephone call is made to the Vehicle owner to arrange for replacement of the Affected Takata Airbag Inflator.	Not currently undertaken therefore requires implementation.		
(iii)	Wherever possible, include in every communication an option for the recipient to notify the Supplier that the Vehicle has been sold, transferred, or is otherwise being primarily driven by a party not residing at the same address as the recipient.	Honda Australia does not currently include in communications but details can be updated via multiple methods as set out above.	Since commencement of Honda Australia recalls we included this in all letters. As the usage of this by Recall Consumers was low, in connection with simplifying our letters this was removed, however Honda Australia will include these in all letters moving forward as is required in accordance with the Draft Recall Notice.	
h	Adopt an escalation strategy for Consumers who have been contacted through multiple channels and/or on multiple occasions, but have not contacted the Supplier to arrange for replacement of the Affected Takata Airbag Inflator.	Honda Australia is continually improving its methods, and working toward increasing its already high completion rate of 80%. For example, up to 7 letters have been sent in some instances. Honda Australia will continue to try and contact the customer.	As set out above, Honda Australia is continually changing its communications and developing its methods of contacting Recall Consumers. Please refer to our submission for further information.	
i	Encourage Consumers to sign up for recall alerts at https://www.productsafety.gov.au/newsletter/subscribe		Honda Australia will add this to its letter communications as well as its website and social media advertising.	
2	Convey the risk presented by airbag ruptures in clear, accurate and urgent terms.			
a	Use the prescribed language for specified communications in part A of this Schedule. Convey the risk presented by airbag ruptures in clear, accurate and urgent terms. For example, use simple language that emphasises the risk of injury or death to drivers and passengers stemming from shrapnel in the event of a rupture (e.g., "Even in a minor incident, the airbag inflator in your vehicle could be triggered, rip apart and propel sharp metal fragments at high speed toward you and your passengers. People have been killed and seriously injured by this defect.").	Honda Australia uses simple language.	As set out in Part A, 1 above, Honda Australia already uses simple language to convey the risks, including imagery, and bolding certain words, and using text in red.	
b	Do not include information that is likely to minimise or mitigate the perception of the risk (e.g., "No ruptures have been observed in [the Supplier's] vehicles to date." Or "we are only conducting this recall as a precaution").	Honda Australia does not use language that would have this effect.	Honda Australia does not currently use language likely to minimise or mitigate the perception of risk, and as set out above has invested in implementing more effective measures of communicating the risks and actions required by Recall Consumers.	
c	Use bold text to highlight particularly impactful words (e.g., "urgent", "kill").	Honda Australia bolds words and uses red font.	As evidenced by the attached and set out above, Honda Australia already highlights important and impactful words in our letters, and will continue to do so.	
d	Include imagery that reinforces graphically the nature of the risk. Use imagery of the recalled Vehicle models, where possible.	Honda Australia includes a diagram of a vehicle, and letters due to be sent also include images of an airbag and vehicle post mis-deployment of an Affected Takata Airbag Inflator.	Currently, Honda Australia includes a diagram that outlines a vehicle and clearly demonstrates the consequences if an Affected Takata Airbag Inflator mis-deploys, and the damage it can cause to vehicle occupants. Honda Australia implemented the use of such image on the basis of the results of the research undertaken by Honda Australia.	

e	Avoid using generic or low-impact imagery (e.g., scenic pictures).		Honda Australia does not use low impact or scenic imagery.	
f	In letter communications, include a red headline at or near the top of the letter and on the front of the envelope, with prominently featured text, such as "Urgent Safety Recall".		This was previously in use, but was removed when Honda Australia simplified its letters as set out above.	
g	In email communications, use the words "URGENT SAFETY RECALL" in the subject line.		Honda Australia does not currently use this wording, but uses words like 'immediate action required', 'your urgent attention required', and uses red text for various important messages in its communications.	
h	State the date by which this Recall Notice requires the Vehicle to be recalled.	Honda Australia conveys in all communications that immediate action is required by the Recall Consumer.	Honda Australia currently communicates with Recall Consumers that they are required to take immediate action to rectify the Vehicle.	
3	Proactively address Consumer concerns relating to Vehicle repair.			
a	Emphasise throughout all communications that replacements are free, can be performed by any Supplier-authorised Dealer regardless of where the Vehicle was purchased and the Consumer will not be charged for any other service or repair unless the owner requests it.	Honda Australia always emphasises this.	Honda Australia specifies in all its communications, and on its website, that repairs are free.	
b	State clearly the inconvenience presented by the need to have the Affected Takata Airbag Inflator replaced and prominently feature the details of all services the Supplier or the Supplier's Dealer provide that address Consumer inconvenience associated with the replacement (e.g., towing, provision of loan or hire cars and extended dealer service hours).	To date this has only been communicated 1:1 through the Recall Call Centre.	Honda Australia specifies in written communications that Recall Consumers must take their vehicle to a dealership, and provides the Recall Call Centre contact information. Honda Australia will amend its written communications as is required by the Draft Recall Notice.	
c	Adopt a dedicated, toll-free phone number solely for Vehicle recalls to centralise the scheduling of replacements, ensure appropriate prioritisation at Dealers and respond to customer questions or concerns regarding the recall and/or safety.	Honda Australia Recall Call Centre is a toll free number. Honda dealers are aware of the need to prioritise recall repair work.	The Honda Australia Recall Call Centre is a toll-free phone number. Honda Australia has notified its dealers that they must prioritise Alpha Affected Takata Airbag Inflator replacement, and complete those immediately. A copy of our latest dealer bulletin from August 2017 is attached to Honda Australia's submission. Honda Australia dealers are otherwise incentivised to prioritise all repairs by Honda Australia paying the dealers retail rates for the repair work and setting targets (since May 2016) that relate to dealer bonuses to ensure that recall repair work is prioritised.	
d	Advise Consumers that they may report concerns regarding the recall to the ACCC at www.accc.gov.au/contact-us .		Honda Australia can implement this if required by the Draft Recall Notice.	
e	Highlight the most relevant information in communications (e.g., that the Vehicle's airbag inflator is defective, that the replacement is free, how to schedule a replacement and the details of any services the Supplier provides to address Consumer inconvenience).	Honda Australia highlights critical information.	As evidenced by the letters attached, Honda Australia already includes this information in its communications. Honda Australia also includes the Recall Call Centre phone number and specifies that Recall Consumers can contact the Recall Call Centre if they require alternate arrangements. When a Recall Consumer contacts the Recall Call Centre, the Recall Call Centre will assist the customer with various means including loan vehicles and financial assistance in certain circumstances.	
4	Tailor communications to the individual Consumer and Vehicle at issue, to reinforce the message's credibility and distinguish it from commercial solicitations.			
a	Wherever possible, address communications using the Consumer's name (avoid "Dear Vehicle Owner" or "Dear Resident").	Honda Australia has always addressed Recall Consumers by name in communications.	All direct communications that Honda Australia has sent (letters, phone calls, text messages), since the implementation of its first recall in 2009, have addressed the Recall Consumer by their first name.	
b	Prominently display your logo as well as logo of the ACCC.		Honda Australia prominently displays its logo in written communications. Recently Honda Australia removed its logo from the front of its envelopes, as research showed that Recall Consumers did not open a letter with the Honda logo as they were not expecting mail from Honda. Since removing the logo from the envelope, Honda Australia has seen an increase in responses from Recall Consumers. Honda Australia is prepared to add the ACCC logo to its letters.	

		Include a picture of the actual Vehicle at issue near the top of the communication, including such details as the Vehicle's make, model, model-year, colour and trim package, and repeat these same details in the text of the communication.	Honda Australia does not include image of actual Vehicle, but an image showing the effects of mis-deployment.	<p>Currently Honda Australia uses a generic vehicle image, as evidenced in the attached letters, and always identifies in its written communications the registration and vehicle model details for each Recall Consumer. Honda Australia has also added to its latest letters, images of a vehicle and airbag taken after an Affected Takata Airbag Inflator rupture, in an attempt to send a clear message to Recall Consumers of the consequences of an Affected Takata Airbag Inflator mis-deployment.</p> <p>Logistically, to add an image of each Vehicle is very difficult. Honda Australia is unsure of the impact that the addition of the images. Honda Australia estimates it will take up to 3 months to compile a database of the required images and add those to each written communication.</p>		
c		Ensure that all communications feature a link to a webpage offering recall-specific information, rather than the homepage of the Supplier's website or a page on the Supplier's website addressing recalls or Dealer repairs in general.	Currently in place.	All written communications that Honda Australia sends include a link to its dedicated recall website.		
5		Ensure that your messaging is accessible to owners from a Culturally and Linguistically Diverse (CALD) audience.				
a		Avoid scientific or technical jargon (e.g., "the inflator could produce excessive internal pressure upon deployment").	Honda Australia avoids technical jargon.	As evidenced above and in the attached letters, Honda Australia's communications with Recall Consumers do not include technical jargon, but use simple straightforward language to convey the risks and actions required to be undertaken by Recall Consumers.		
b		In written communications, use a font size of at least 11 pt. to ensure that Consumers can reasonably engage with the content.	Honda Australia uses various font sizes, bolding, and red and black font.	Honda Australia currently uses font size 10 for the main body of its communications, but larger font sizes for important words, specifically the actions required to be taken by the Recall Consumer.		
c		In all written communications, include a short statement outlining the serious safety risks of Affected Takata Airbag Inflators and the need for urgent action in common community languages, including Arabic, Chinese (Simplified and Traditional), Cantonese, Vietnamese, Farsi, Korean, Spanish, Dari, Indonesian, and Hindi. Provide a link to further information on your website that has been translated in each language.	Honda Australia Recall Call Centre offers assistance in 160 languages, and written communications include a message in top 5 languages other than English.	Honda Australia currently includes a line that the Recall Consumer can contact the Recall Call Centre for assistance, in the 5 most common languages other than English at the bottom of its written communications.		
d		In all written communications and on your website, provide details of a translating and interpreting service that CALD audiences can use.		As set out above, Honda Australia currently includes reference to the Recall Call Centre's ability to provide assistance in the 5 most common languages other than English in its written communications. Honda Australia does not currently include this on its website, however we will adopt this approach if required by the Proposed Recall Notice.		
e		In all written communications and on your website, provide details of the National Relay Service for people who are Deaf or have a hearing or speech impairment.		Honda Australia does not currently do this, but will adopt if required by the Proposed Recall Notice.		
6		(6) Include a clear call to action designed to facilitate prompt and efficient scheduling of replacements.				
a		Prominently feature (and, wherever possible, repeat numerous times) the telephone number Consumers should call to schedule a replacement.	Honda Australia features the Recall Call Centre phone number.	Honda Australia prominently features the Recall Call Centre telephone number in all written communications, text messages, emails, on the ACCC Product Safety website, and on our website.		
		In telephone communications, ensure that all calls are designed to facilitate scheduling an appointment for a replacement as part of the initial interaction with the Consumer. Minimise the need for the Consumer to call the dealer separately or wait for a callback to schedule an appointment.	Honda Australia Recall Call Centre facilitates bookings for Recall Consumers, and dealers are always informed to prioritise Recall Consumers.	<p>Honda Australia's purpose in setting up the Recall Call Centre was to provide an efficient way of booking consumers into dealers for repairs. In our vast experience, it is very difficult for dealers to manage the large volume of enquiries. As such, we centralised contact through the Recall Call Centre.</p> <p>For 'Critical' Recall Consumers the Honda Australia Recall Call Centre facilitates a booking with a Honda dealer on the first contact from the Recall Consumer. Honda Australia has also instructed its dealers to arrange a booking for all Critical Recall Consumers at the first point of contact. For all other calls the Recall Call Centre takes the contact details of the Recall Consumer, forward them to the appropriate Honda dealer and request direct contact with the Recall Consumer to arrange a booking. This process was implemented to enable a more efficient booking method at the dealership, so that dealer resources could be focussed on Affected Takata Airbag Inflator replacements rather than telephone handling. In order for Honda Australia to implement the required action, it is likely that each Honda dealer would need to employ a full time person to handle the booking telephone calls. Where an additional resource is required at Honda dealers to answer</p>		

				these calls from the Recall Call Centre we estimate the cost to be \$50,000 per dealer per annum. There are 107 dealers, which equates to a total cost \$5,300,000 per annum.		
	b					
		In communications, include links to the Supplier's online repair scheduling platform.		<p>Honda Australia does not have an online repair scheduling platform. We have investigated the feasibility of this. It will take approximately 90 days to insitage this process.</p> <p>The issue for Honda Australia is that the remaining Recall Consumers are majority Non-active Customers, who are unlikely to visit the Honda Australia website. In Honda Australia's submissoin, its resources would be better spent on alternate methods. For example working with State and Territory bodies who could provide more accurate registration details, and as previously suggested to DIRD and the ACCC, prevent renewal of registration where a recall is outstanding.</p>		
	c					
	d	In social media outreach, ask Consumers to share the Supplier's message with friends and family.	Honda Australia has not currently asked people on social media to share our posts with family and friends.	This will be implemented if required.		
Subtotal					\$6,541,039 \$3,641,757*	

*note the proposed costs excludes the dealer incentive, as this is not a mandatory requirement

Appendix F

Honda

AIRBAG RECALL CAMPAIGN

5 May 2017

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The Power of Dreams



Today

- Recap of objectives & approach
- Overview of recall booking process
- Customer journey map
- Pain points, behavioural insights & opportunities
- Strategic recommendations
- Measurement approach
- Next steps

Appendices

- Summary of interview findings
- Analysis of envelope & letter designs



Recapping our objectives

What are we really trying to achieve?

Hard (measurable):

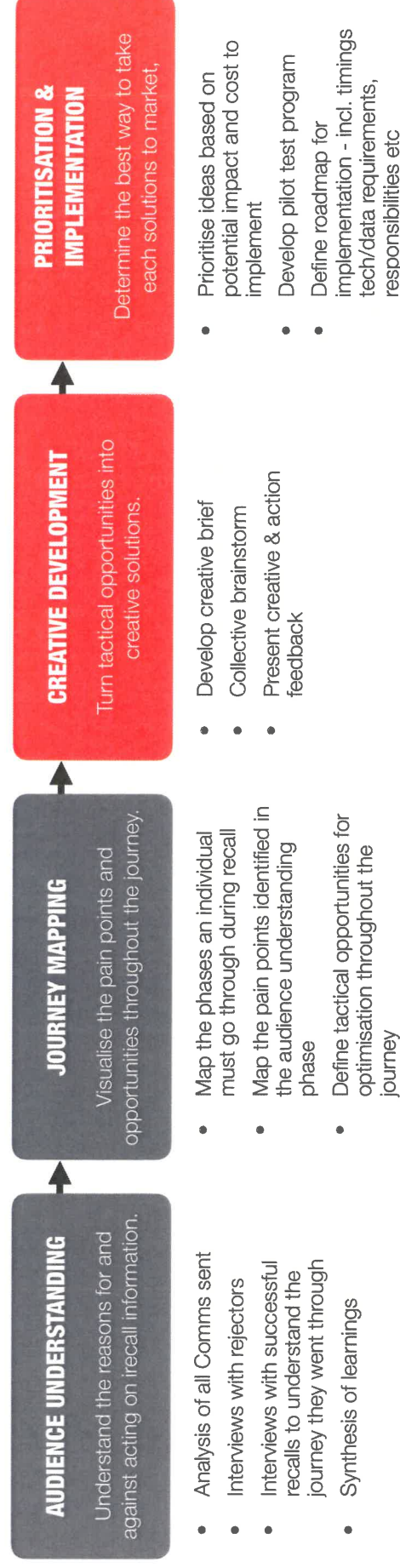
- Reach approx. 14,000 Honda drivers affected with the Airbag recall (alpha)
- Get over 95% of engagement (contacting Honda to book their cars in)
- Complete and deliver in the 94ki

Soft

- Get them to understand the risk they're taking by continuing to drive the affected vehicles
- Change existing audience behaviour - make them act!
- Create a platform that could potentially be rolled out for other recalls
- Explore new ways affect change - eg. incentives, changes to booking process etc



Where we are now?



The journey so far

The past few weeks has been enlightening and we have gained a far deeper understanding of the forces at play.

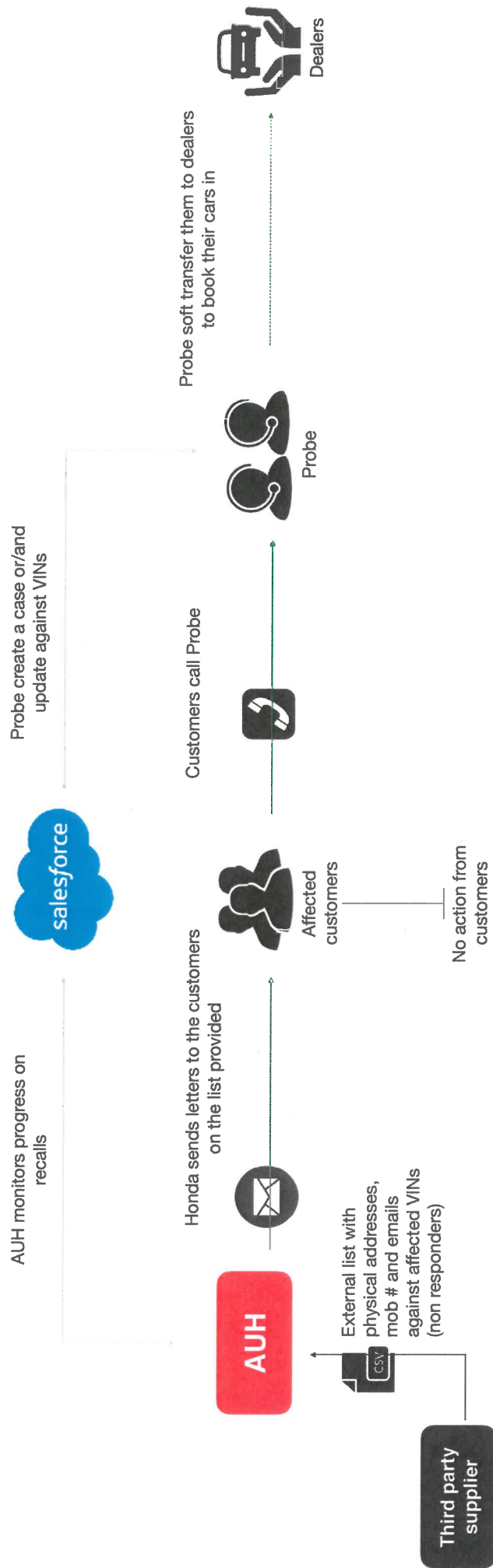
However, we've also realised that we still don't know enough about the problem - due to a lack of data and robust reporting resources.

What we do know is that this is largely a behavioural problem, that we believe can be solved with an understanding of the biases we have when making decisions.

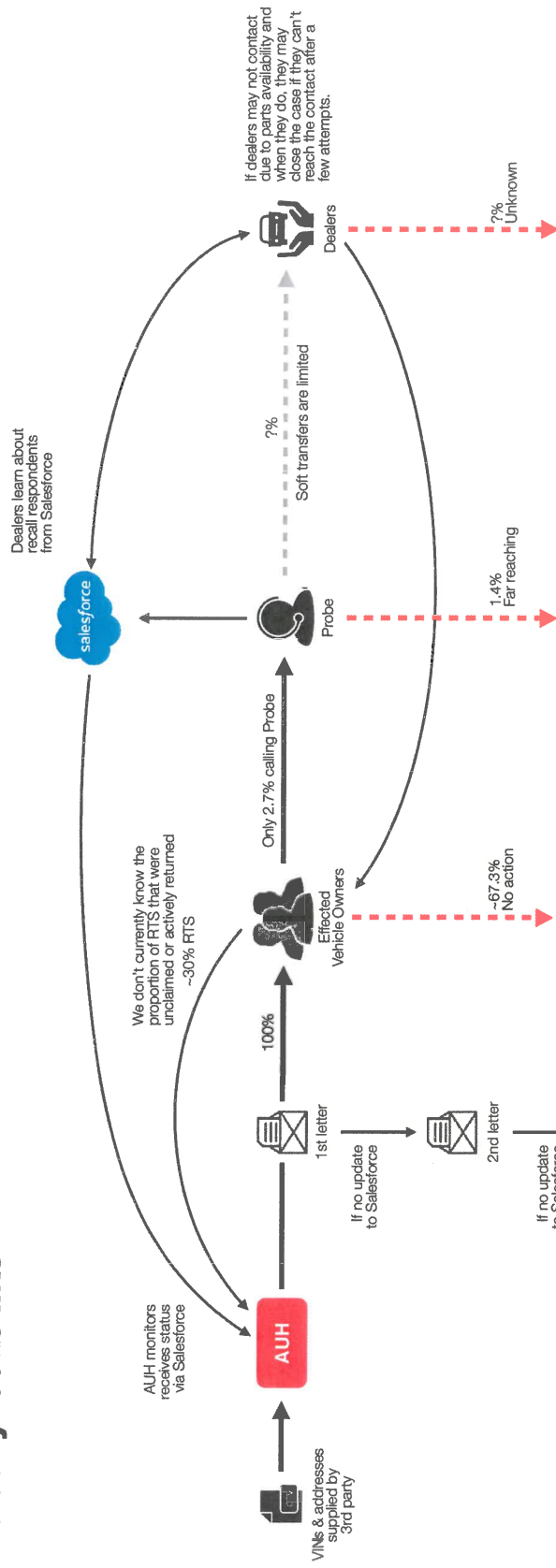
Ultimately we need to take a more robust approach to testing what's working and what's not, in order to optimise our approach.



What we thought the process looked like



What it actually looks like



The first thing we discovered is that the flow of information had a number of gaps resulting in a lack of understanding as the real issue at hand.

We also discovered that there were ultimately three critical drop out points that we need to investigate further.

Core challenge

How do we get people on the phones?

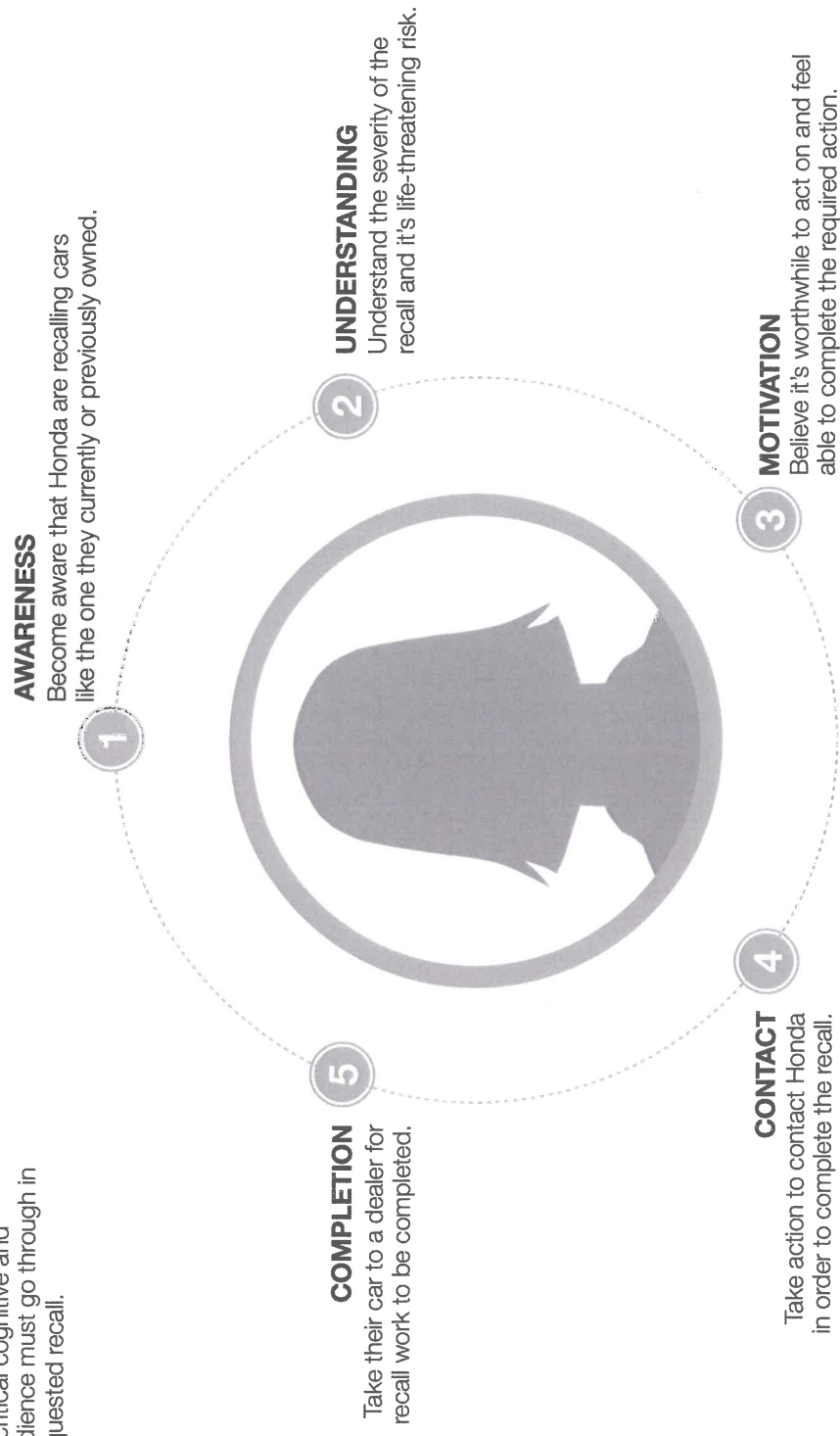
We know that once someone speaks to the call centre, the booking conversion rate is quite high. However many of our recipients aren't making it that far.

We need to understand the cognitive and behavioural steps involved in calling the call centre in order to unlock opportunities for success



The journey to action

We believe there are five critical cognitive and behavioural steps our audience must go through in order to complete the requested recall.



Behavioural Economics has the power to make significant impacts through minor changes

SOCIAL NORMING EXPERIMENT

PROBLEM

- The City of Louisville was sending multiple letters chasing parking fine payments.
- They eventually test a new approach with 1,831 different drivers.

TEST LETTER

- 'Pay Now' stamp on envelope used by NSW parking fines
- Statement in letter that said "the majority of drivers who receive a parking fine in Louisville pay it within 13 days"

RESULT

- After one month the new letter increased payment by 10.5%
- 8.1% of control group paid, 18.6% of new letter group paid
- Redesigned letter saved Louisville \$100k/year

MESSAGE SALIENCY EXPERIMENT

PROBLEM

- Drivers in the UK were failing to tax their vehicles en masse.
- Estimated that there were 250,000 unlicensed vehicles in Great Britain representing £40m in lost revenue.

TEST LETTER

- Tested the original letter with a simpler, hard-hitting letter "Pay your tax or lose your [Image of Vehicle]"
- Ultimately this new approach aimed to make the impact of losing a vehicle more salient.

RESULT

- Using an image of the recipients vehicle resulted in a 9% increase in drivers relicensing,

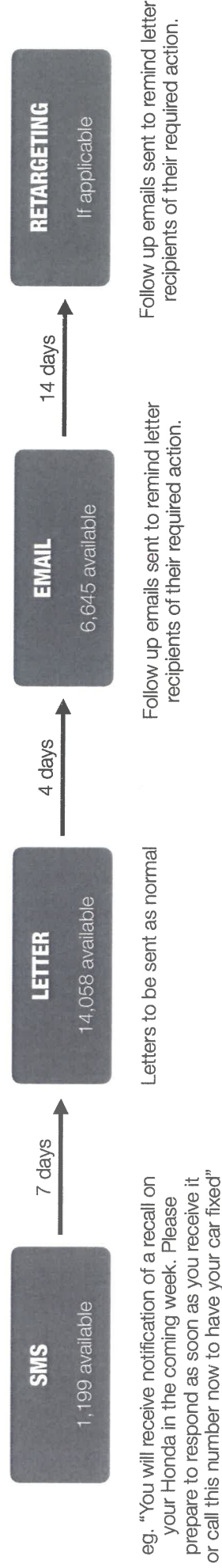


Pain points & opportunities

Journey	Awareness	Understanding	Motivation	Contact	Completion
Existing Approach	<p>Letters (x3-5)</p> <p>We currently sending minimum three letters (and up to five) with minor changes in each.</p> <ul style="list-style-type: none"> Approx. 30% are returned to sender Insufficient resources to track RTS etc Many registered mail outs may go unclaimed because recipients are not expecting any mail from Honda Interview respondents identified email and phone as preferable methods of contact Rejectors were "unaware" of the recall until our interview, despite having received five letters already 	<p>Recipients personal details are confirmed at the top of the letter and a brief 'recall description' contained in the body copy explains the recall.</p> <ul style="list-style-type: none"> Recall perceived to lack seriousness "It's a one in a million chance" Recall perceived as for Honda's benefit, rather than the owner of the car at risk Translation service not promoted in letter Some have sought third party clarification from mechanics who downplay seriousness The core message of the letters lacks salience and the hierarchy is out of order "But I don't have airbags in my car" Rejecters simply didn't understand the message 	<p>Recipients are told of a potential concern that could potentially cause injury to occupants. It also briefly mentions the service is for free.</p> <ul style="list-style-type: none"> Many no longer use the car Some have sold the car to unknown owner Some live too far to make it "worth their while" - eg. Magnetic Island Far reaching rejecters tended to cluster around closed deal locations - eg. Broken Hill and Mount Isa Even those <1hr find it too inconvenient Some simple can't go without their car 	<p>Recipients asked to call Probe (9am-5pm), a Honda dealer (10am-3pm), visit the website for more information or return the slip on the bottom of the letter if they no longer own the car.</p> <ul style="list-style-type: none"> Only 2.7% of recipients contact Probe Probe only contactable from 9am-5pm weekdays Honda dealers only contactable 10am - 3pm on weekdays The phone script doesn't reiterate the work to the car will be free of charge Once people do call, they're highly likely to make a booking. 	<p>The booking is lodged on Salesforce by Probe and the onus is left with the dealer to follow up and make the recall happen.</p> <ul style="list-style-type: none"> Soft transfers are few and far between Many dealers simply won't contact the booking due to parts availability issues This results in further confusion and the people having to follow it up themselves Dealers may close cases if contact can't be reached after a few attempts Weekend recall work is rarely available. Many accepters had to follow up on their bookings.
Learnings & Observations	<p>The Ostrich Effect tells us that some people may avoid opening the letter simply because it looks important or official - with the Honda logo.</p>	<p>An Optimism Bias is resulting in the misguided belief that this won't happen to me, despite the high risk of fatality.</p> <p>Probability Neglect tells us that people have a tendency to miscalculate the probability of risks and avoid the least likely to occur risks.</p> <p>Simplification of letters from the tax department has been proven to result in 5-10% increases in response rates.</p>	<p>The Identifiable Victim Effect suggests the recipient may not feel the true risk of the campaign without an identifiable case.</p> <p>The Framing Effect proves that the positive or negative framing of a message has the power to impact people's motivation to act on it.</p> <p>Social norming theory tells us that people are more likely to take action that aligns them with the 'norm'. We're inherently social beings.</p>	<p>The Intention Behaviour Gap tells us that even if people read the letter and intend to act upon it, if they can't do it immediately they won't.</p>	<p>Without speaking to dealers we have not yet determined what the key barriers to engagement are. This is an area that would benefit from further investigation.</p>
Opportunities	<ul style="list-style-type: none"> New forms of contact <ul style="list-style-type: none"> 47.3% email addresses currently unused 8.5% phone numbers currently unused Text message priming Envelope redesign 	<ul style="list-style-type: none"> Simplified letter design - single 'chunk' req. Include translation option on letter 	<ul style="list-style-type: none"> Reference overseas fatality example Positively frame the message / request Illustrate the social norm 	<ul style="list-style-type: none"> Text message priming Improve timing of letters Direct online dealer request Incentive/rewards program Extended call centre hours New URL to reduce barriers 	<ul style="list-style-type: none"> Live bookings into dealer's DMS Probe follow ups with dealers New incentives for dealer engagement

Recommendation #1: Contact method test

The email addresses and phone numbers we currently have access to are being under utilised. We recommend priming recipients with SMS, then following up on non-responders with email.



We could also test gain / loss framing

We must use a dedicated phone number to measure how many people fail to get through

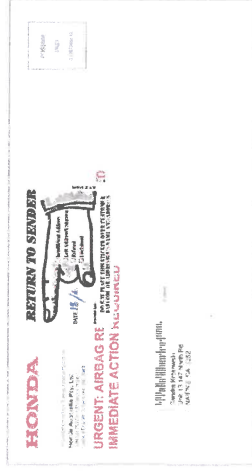
Example: Increasing payment rates through text messages

Prompting those owing Courts Service fines with a text message 10 days before the bailiffs are to be sent to a person's home doubles the value of payments made, without the need for further intervention.

Recommendation #2: Envelope redesign

We would like to run an experiment to test whether the design of the envelope is resulting in a lower response rate.

A: Existing envelope



Our existing approach would be used as a baseline measure from which to compare.

B: Unbranded envelope



We could also test hand-written addresses and real postage stamps to overcome the barriers to opening.

C: Non-envelope



A non-envelope may indicate a greater value exchange for the recipient and impact the open rates of our existing approach.

There are a number of behavioural insights we would like to leverage to inform the design of our test letter. These have been proven to affect behaviour in a number of experiments and we believe they could have a significant impact on our recall response rate.

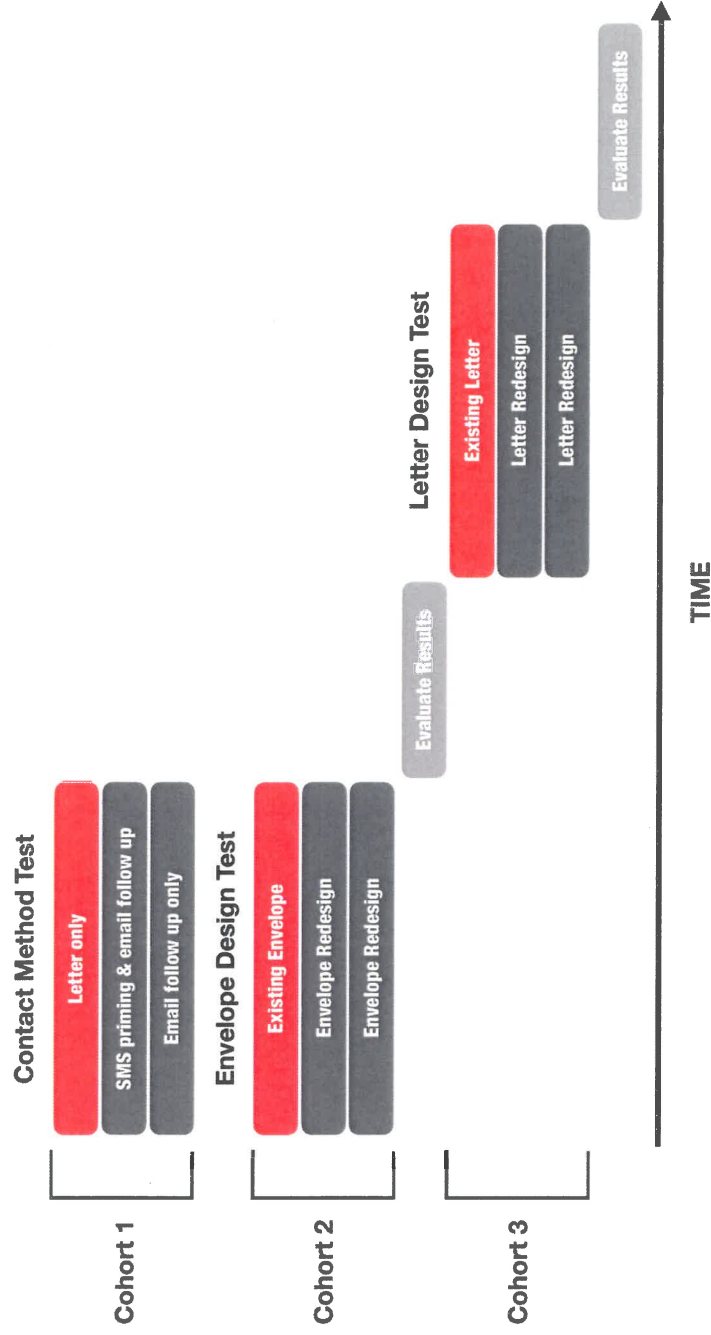
[illegible]

Upon approval of this direction we will flesh out the specific interventions to be used here.

Upon approval of this direction we will flesh out the specific interventions to be used here.

Implementation Roadmap

Multivariate testing may require too large a sample, so we recommend running three distinct A/B tests to help us to determine the best way to communicate recall information and drive action.



Measurement approach

We have the opportunity to make a huge difference to the effectiveness of our recall communications, but without proper tracking and measurement our tests will not work.

Identifiable envelopes

Identifiable envelopes will enable us to reduce the resource burden in being able to separate the test envelopes easily upon their return.

Trackable phone number

We need to understand how many people are calling and getting through upon receiving our letters in the mail.

Email tracking

We can track opens, clicks and online behaviour if we send emails through Adobe.



Dealer & call centre commitment still requires work

Journey	Awareness		Understanding		Motivation		Contact	Completion	
Existing Approach	Letters (x3-5) We currently sending minimum three letters (and up to five) with minor changes in each.		Recipients personal details are confirmed at the top of the letter and a brief 'recall description' contained in the body copy explains the recall.		Recipients are told of a potential concern that could potentially cause injury to occupants. It also briefly mentions the service is for free.		Recipients asked to call Probe (9am-5pm), a Honda dealer (10am-3pm), visit the website for more information or return the slip on the bottom of the letter if they no longer own the car.	The booking is lodged on Salesforce by Probe and the onus is left with the dealer to follow up and make the recall happen.	
	<ul style="list-style-type: none">• Approx. 30% are returned to sender• Insufficient resources to track RTS etc• Many registered mail outs may go unclaimed because recipients are not expecting any mail from Honda• Interview respondents identified email and phone as preferable methods of contact• Rejectors were "unaware" of the recall until our interview, despite having received five letters already		<ul style="list-style-type: none">• Recall perceived to lack seriousness "It's a one in a million chance"• Recall perceived as for Honda's benefit, rather than the owner of the car at risk• Translation service not promoted in letter• Some have sought third party clarification from mechanics who downplay seriousness• The core message of the letters lacks salience and the hierarchy is out of order• "But I don't have airbags in my car"• Rejectors simply didn't understand the message		<ul style="list-style-type: none">• Many no longer use the car• Some have sold the car to unknown owner while" - eg. Magnetic Island• Far reaching rejecters tended to cluster around closed deal locations - eg. Broken Hill and Mount Isa• Even those <1hr find it too inconvenient• Some simple can't go without their car		<ul style="list-style-type: none">• Only 2.7% of recipients contact Probe• Probe only contactable from 9am-5pm weekdays• Honda dealers only contactable 10am - 3pm on weekdays• The phone script doesn't reiterate the work to the car will be free of charge• Once people do call, they're highly likely to make a booking.	<ul style="list-style-type: none">• Soft transfers are few and far between• Many dealers simply won't contact the booking due to parts availability issues• This results in further confusion and the people having to follow it up themselves• Dealers may close cases if contact can't be reached after a few attempts• Weekend recall work is rarely available.• Many accepters had to follow up on their bookings.	
	Learnings & Observations		PHASE 1		PHASE 2				
Behavioural Hypotheses	The Ostrich Effect tells us that some people may avoid opening the letter simply because it looks important or official - with the Honda logo		An Optimism Bias is resulting in the misguided belief that this won't happen to me, despite the high risk of fatality		The Identifiable Victim Effect suggests the recipient may not feel the true risk of the campaign without an identifiable case		The Intention Behaviour Gap tells us that even if people read the letter and intend to act upon it, if they can't do it immediately they won't.		Without speaking to dealers we have not yet determined what the key barriers to engagement are. This is an area that would benefit from further investigation.
	New forms of contact <ul style="list-style-type: none">• 47.3% email addresses currently unused• 8.5% phone numbers currently unused Text message primingEnvelope redesign		Simplified letter design - single 'chunk' req. Include translation option on letter		Reference overseas fatality example Positively frame the message / request Illustrate the social norm		Text message priming Improve timing of letters Direct online dealer request Incentive/rewards program Extended call centre hours New URL to reduce barriers		Live bookings into dealer's DMS Probe follow ups with dealers New incentives for dealer engagement
	Opportunities								

Next steps

- Feedback on three key strategic recommendations
- Alignment on measurement approach
- Agree on implementation roadmap and set timings
- Provide brief for Phase 2 if required
- LB to map creative, delivery, deployment
- LB to provide timeline of key dates



Appendices

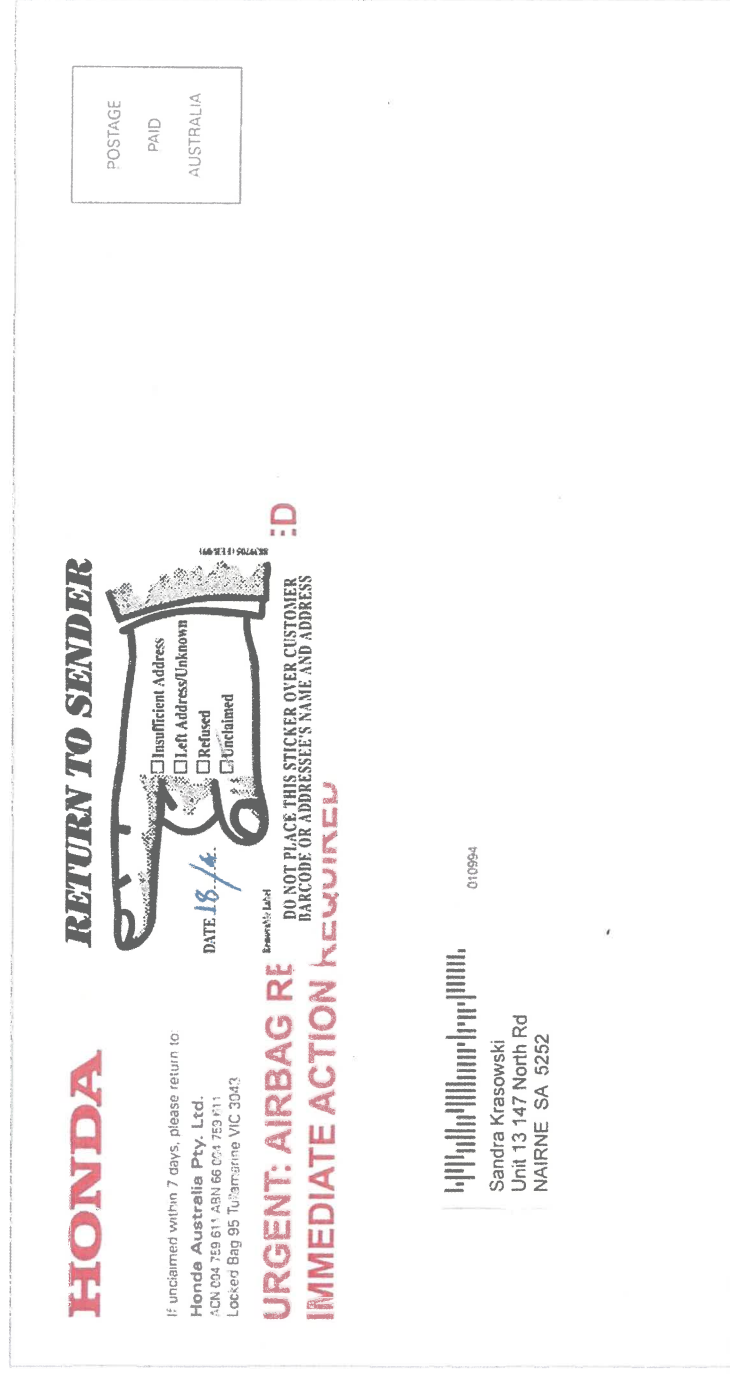


Analysis of existing envelope

Given the number of recipients returning the letter to sender or simply not acting, there is a good chance the design of the letter itself is a barrier to success.

1. Recipients may not have a relationship with Honda as they purchased their car second hand making this design appear as marketing material at first glance.
2. Recipients are not expecting registered mail from Honda so a slip left by Aus Post is unlikely to motivate them to collect their mail within the allotted time.
3. The current design looks official and some people simply

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Leo Burnett

Analysis of existing approach

While our existing approach has been successful in many ways, we have made a number of assumptions as to potential areas for improvement.

1. The changes between each letter are not clear enough to be noticeable
2. The language used could be confusing, particularly for those who are not native English speakers
3. The text-heavy format is cluttered and overwhelming
4. The desired action is not visually salient and the hierarchy of the message conceals our request
5. The requested actions are only possible during business hours (despite extended hours promoted on recall website)



1.

HONDA RECALL CAMPAIGN NOTIFICATION

Product Safety Recall:
Front Passenger Airbag Inflator

YOUR ACTION IS REQUIRED

Dear Valued Customer,

Honda Motor Company has identified that a potential concern may exist with the front passenger airbag inflator in your vehicle and has issued a Product Safety Recall notice.

Recall description:
Honda Motor Company has identified that a potential concern may exist with the front passenger airbag inflator in your vehicle and has issued a Product Safety Recall notice. In the event of a future accident, the inflator could potentially deploy incorrectly, posing a risk to the safety of the vehicle's occupants. As a result of this recall, Honda is offering a free repair to replace the inflator with a new one.

What should I do?

1. You may find that Honda is offering a free repair to replace the inflator with a new one.
2. The recall covers all 2013-2014 Honda Civic sedans and 2013-2014 Honda Civic sedans with the front passenger airbag inflator.
3. Alternatively, contact the service department of your Honda dealer (HONDA, HONDA, HONDA) to make a booking.
4. When calling your dealer, please refer to the recall number (HONDA) in the top right corner of this letter.

Should you require additional information, please call the toll-free number (1-800-33-Honda) or visit our website (www.honda.com.au/recalls) which contains further details about this recall.

Yours faithfully,
HONDA AUSTRALIA PTY LTD
100 Spring Street
Melbourne, VIC 3048

YES ☐ I have agreed to have the recall repair carried out by Honda. **NO** ☐ I have not agreed to have the recall repair carried out by Honda.

Signature: _____ **Print Name:** _____

Address: _____ **Postcode:** _____

Phone: _____ **Mobile:** _____

Vehicle Details: _____ **Model:** _____

Year: _____ **Registration:** _____

Signature: _____ **Print Name:** _____

Address: _____ **Postcode:** _____

Phone: _____ **Mobile:** _____

Vehicle Details: _____ **Model:** _____

Year: _____ **Registration:** _____

2.

URGENT HONDA RECALL NOTIFICATION

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Address: _____ **Postcode:** _____

Phone: _____ **Mobile:** _____

Vehicle Details: _____ **Model:** _____

Year: _____ **Registration:** _____

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Address: _____ **Postcode:** _____

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Signature: _____ **Print Name:** _____

Address: _____ **Postcode:** _____

Phone: _____ **Mobile:** _____

Vehicle Details: _____ **Model:** _____

Year: _____ **Registration:** _____

Signature: _____ **Print Name:** _____

Address: _____ **Postcode:** _____

Phone: _____ **Mobile:** _____

Vehicle Details: _____ **Model:** _____

Year: _____ **Registration:** _____

Builds on first letter: increased urgency in CTA, personalisation of name and model, addition of note on multiple recalls and simplification of recall description.

Builds on second letter: additional urgency notice, reiteration of previous contact attempts, addition of 'Important Notice' disclaimer.

Interview responses & learnings

ACCEPTER INSIGHTS

- There seemed to be a high level of conversion once people actually called Probe to discuss the matter
- Acceptors seemed to better understand the recall message.
- They did mention that they would have preferred to have been informed of the recall through other channels - phone & email
- Many accepters had to follow up their original bookings due to a lack of contact from the dealer they had been assigned to
- Anecdotal insight from Probe employees suggested dealers were blase about taking responsibility for their assigned leads and we incorrectly marking some cases as complete

REJECTER INSIGHTS

- Rejecters were able to be turned into accepters through clear explanation and an openness to finding a solution
- Among those that don't convert, their "far reaching" location (>3hrs) is one of the most common reasons for rejecting
- Areas where previous dealerships have closed down are problem areas - eg. Magnetic Island, Broken Hill & Mount Isa
- Inconvenience, even for those only ~1 hour from a dealership, was another key barrier to completion
- The phone script never reiterates the free of charge work which could potentially impact motivation
- Call centre hours are open for longer than stated on the letters



Appendix G

HONDA

YOUR HONDA INFORMATION:

VIN:

REG NO:

REFERENCE NO: <XXX>

27 July 2017



000001

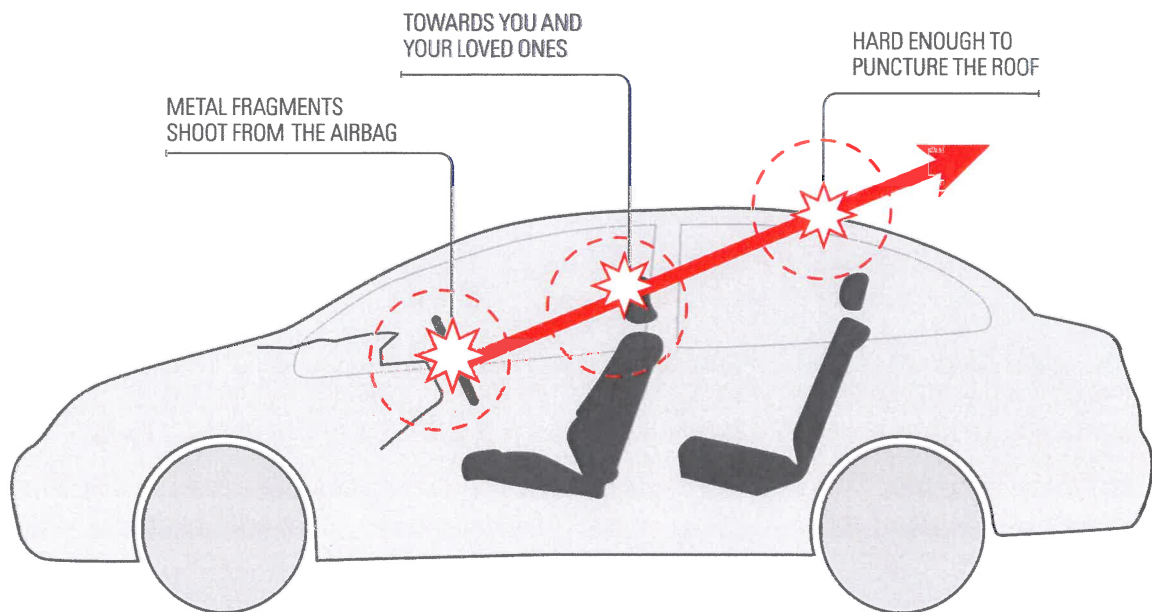
Sam Sample
123 Sample Street
SAMPLETOWN SAM 9999

Dear Sam,

Your Civic driver and/or passenger airbag is faulty and dangerous. This could be fatal for occupants of your vehicle. We want to do whatever we can to fix your airbag, absolutely free of charge.

CHOOSING NOT TO ACT COULD BE DEADLY

An accident, even at low speed, could cause your airbag to go off. If this happens, a faulty inflator could shoot metal fragments into your head and body. The result could be tragic, so you must act now.



GET YOUR FREE REPAIR NOW

Call us on **1800 957 444**, Monday to Friday, 8am to 9pm AEST or Saturday and Sunday 8.30am to 5pm AEST to book your **free airbag inflator replacement** at your nearest Honda Service Centre.

Alternatively, you can request a Honda Representative to call you by visiting Honda.com.au/airbag

Honda Australia Pty Ltd

이 서신을 위해 언어 도움이 필요하시면 Honda Australia 통역사 안내 번호인 1800 785 216 으로 전화하십시오

如果你需要通过翻译了解这份信的内容, 请拨打澳大利亚本田翻译热线电话 1800 785 216

如需語言協助, 幫助您了解此信, 請致電 Honda Australia 傳譯員專線 1800 785 216

Nếu cần người giúp đỡ về ngôn ngữ liên quan đến bức thư này, xin quý vị gọi cho Đường dây Thông dịch viên của Honda Australia qua số 1800 785 216

إذا كنت بحاجة إلى مساعدة دعم لغوي بشأن هذه الرسالة, يرجى الاتصال بخط المترجم الفوري لهوندا أستراليا على الرقم 1800 785 216

Appendix H

National Service Technical Bulletin

2017-08-061 - Priority Airbag Repairs - Critical inflators

To : All Honda Motor Vehicle Dealers

From: Debbie Lee

Attention Of: Dealer Principals, Service Managers, Service Staff, Parts Managers,
Parts Staff,

Date: 21 August 2017

Executive Summary:



Honda Australia advise that some additional recalls have been deemed a higher risk & categorised as “**Critical**” inflators.

Background:

What is a Critical inflator?

Critical inflators (which includes Alpha inflators as previously advised) have been expanded to include three additional recalls. The additional recalls include vehicles fitted with the same type of inflators that have been associated with the fatalities in Australia & Malaysia.

As previously advised, we remind you that the Alpha inflators have a specific manufacturing defect & up to a **50% chance of rupture**, therefore a **much higher risk of causing serious injury or fatality** than other airbag inflator recalls.

What recalls are deemed Critical?

The following recalls are in the Critical category:

- 5SZ – 166 outstanding repairs
- 5SD – 143 outstanding repairs
- 5US – 111 outstanding repairs
- 5SK – 10,891 outstanding repairs
- 5UD – 277 outstanding repairs
- 5JV – 5,778 outstanding repairs
- 5VZ – 7,178 outstanding repairs
- 5ZV – 10,946 outstanding repairs

Honda Australia have communicated on multiple occasions to all affected customers with an outstanding airbag inflator recall for all of the above recalls, the most recently being at the beginning of August 2017.

Action Required by Dealer:

It is imperative that repairs for the abovementioned recalls be actioned immediately.

If a customer attends your dealership, you must take whatever action necessary to perform the repair immediately. **Do not, under any circumstances, defer the customer or delay the repair.**

Where the customer contacts your dealership regarding one of the above recall repairs, please take whatever steps necessary to book them in to have the repair performed **without delay.**

Should you have a customer in your database that has an outstanding recall in one of the above recalls, please contact them & arrange for the recall to be performed **as quickly as possible.**

We expect that all dealers will hold sufficient parts to immediately repair vehicles affected by the above recalls.

We cannot stress to you enough, the importance of completing these airbag recalls upon presentation of an affected vehicle.

If you require further information or support in relation to the Critical inflators on the above recalls, please contact your DAM.

Thank you in advance for your assistance in addressing these Critical recalls as a matter of urgency.

Issued by:



Debbie Lee
Market Quality - Recall Specialist
Technical & Supply Division

Approved by:



Brady Oakey
Market Quality Manager
Technical & Supply Division