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Our ref: N10000534  
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18/12/2020

www.acc.gov.au

Dear Mr Voss

### **N10000534 – Mitsubishi Motors Australia Limited – No further action**

I refer to the exclusive dealing notification lodged with the Australian Competition and Consumer Commission (the **ACCC**) by Mitsubishi Motors Australia Limited (**MMAL**) on 11 September 2020.

MMAL notified the ACCC of exclusive dealing conduct in relation to MMAL offering a 10-year or 200,000km (whichever occurs first) warranty to purchasers of new Mitsubishi vehicles on condition that the purchaser exclusively acquires aftermarket servicing from MMAL dealers or service centres (the **Notified Conduct**). MMAL's five-year warranty, with non-exclusivity as to choice of service provider, remains available to Mitsubishi customers.

The protection from legal action provided by this notification commenced automatically when it was validly lodged with the ACCC on 11 September 2020.

The ACCC does not object to the exclusive dealing notification based on the information available at this time and for the reasons set out in the Statement of Reasons in respect of this matter.

#### **ACCC assessment**

The ACCC is not satisfied, based on the information it has received to date, that the Notified Conduct has the purpose, effect or likely effect of substantially lessening competition in any market. The ACCC considers that, despite the Notified Conduct, independent mechanics will likely continue to provide an important competitive constraint on MMAL (regarding its overall decisions about pricing and services, such as with respect to its capped-price servicing program) and its dealers and service centres (regarding pricing and servicing decisions to the extent allowed by MMAL). Further detail is set out in the Statement of Reasons.

However, given the important role of independent mechanics, the ACCC is concerned to ensure that the Notified Conduct does not remove the constraint imposed by independent mechanics on the price and servicing decisions of Mitsubishi dealers and service centres. If appropriate evidence should come to light that the Notified Conduct is adversely affecting the ability of independent mechanics to compete on their merits to a substantial degree, and at that time the ACCC does not consider the public benefits of the Notified Conduct outweigh the public detriments, including from a lessening of competition, the ACCC is able to move to revoke the notification.

The Statement of Reasons and this email will be placed on the ACCC's [exclusive dealing notifications register](#).

Please contact Andrew Mahony on 03 9290 1983 or Steven Lee on 02 6243 1347, or by email to [exemptions@acc.gov.au](mailto:exemptions@acc.gov.au) if you have any questions about this matter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D. Staltari'.

Danielle Staltari  
Director  
Competition Exemptions