




Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433.

Interested Party Response – Objection to the Notification

Email to: adjudication@acc.gov.au

I object to this notification and request that the ACCC revoke this notification because this conduct:

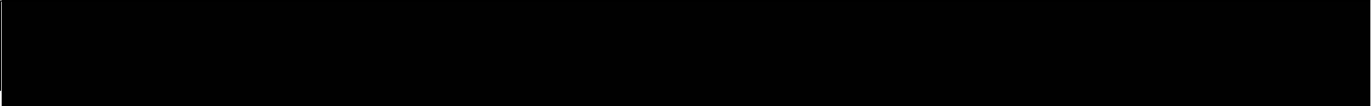
1. has the purpose of substantially lessening competition through reducing vehicles available for independent repairers to service
2. will not result in a public benefit that would outweigh the public detriment by sanctioning an exclusive ten year access period to the vehicle for the higher cost motor dealer network for servicing and using the threat of voiding warranty coverage to block alternative choices in the market
3. runs counter to the October 2019 Federal Government (Treasury) announcement of legislation to mandate the sharing of motor vehicle service and repair information, primarily to allow consumers the right to have their vehicles safely repaired by the repairer of their choice.


 are active supporters of the Australian Automotive Aftermarket Association and the campaigns for open and fair competition that the Association has been leading. In our view, the proposal from MMAL will lead to a significant reduction in consumer rights and fair competition.

There is already much confusion and fatigue when purchasing a vehicle, limited information on consumer guarantees at the time of purchase and the impression given to the consumer regarding servicing and warranty coverage at the time of sale is misleading.

The Mitsubishi submission nominates that purchasers will remain able to obtain repairs (as distinct from servicing) from an independent repairer or service centre without it affecting the 10-year warranty. The reality is that a large proportion of repairs are identified at the time of servicing when the vehicle is put up on the hoist and therefore the extended warranty is likely to severely limit the repair opportunities for independent repairers to access the vehicle.

It is well established that dealership labour rates and vehicle manufacturer branded parts are in many cases more expensive than the independent repair and service sector. This has been acknowledged in the conclusion of the consultation process by Treasury for a mandatory scheme for sharing motor vehicle service and repair information in October 2019. The key observations of the consultation included;


- *The Australian Government has is committed to supporting appropriate commercial dealings and competition in the automotive sector for the benefit of both small businesses and consumers. This includes designing a mandatory scheme for access to motor vehicle service and repair information (the scheme). **This scheme would provide a level playing field in the sector and allow consumers to have their vehicles safely repaired by the repairer of their choice.***
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- *Treasury received 53 submissions as part of the first round of formal public consultations. Overall stakeholders were largely in favour of the scheme and its key elements.*
 - *In particular, there was general acceptance of a simple and clear requirement that independent repairers should be able to access all information provided to dealerships.*

While the Government has not yet passed legislation to progress the scheme, we note that it is proposed for the ACCC to have enforcement responsibility over the scheme with penalties to apply after a transition period.

The proposal from MMAL, which will likely be rapidly copied by other vehicle manufacturers, would severely limit the vehicle fleet available for repair by independent businesses. Consumers will therefore pay more for car maintenance as well as surrendering choice in order to achieve what they already have under Australian Consumer Law.

We firmly believe that the Mitsubishi Exclusive Dealing notification if not revoked by the ACCC will have the effect or likely effect of substantially lessening competition and that the public detriment would outweigh any likely public benefit.

 hopes that the ACCC will make a decision on this notification that will allow all market participants equal access to vehicle repair and encourage competition on price and quality. All market participants should be able to supply their products to Mitsubishi vehicle owners without any fear that their actions would result in a loss of their warranty rights.

Yours Sincerely

