



13 October 2020

Ms Susie Black

Director

Adjudication Branch

Australian Competition and Consumer Commission

Dear Ms Black,

Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433

I am writing to you today to lodge our objection to the Mitsubishi Motors Australia Limited Exclusive Dealing Notification under which the company proposes to offer a 10-year conditional warranty that mandates dealership-only servicing.

Auto One Australia believes this dealing notification should be revoked in order to protect consumers and preserve the livelihoods of the many family business that operate within our group and the Automotive Aftermarket.

Auto One Australia has been in operation since 1988, with a total of 78 stores trading under the Auto One and A1 Autoparts brands Australia-wide. Currently 72 of our stores are family and franchised owned and the group employs close to 500 people throughout the country.

Our stores currently supply an extensive range of quality branded parts to local aftermarket mechanical workshops and service centres. We have concerns that the failure to revoke this exclusive warranty program will be severely detrimental for consumers, our group and the industry due to the following;

- Lack of choice for the consumer. Choice of parts provides price competition and ensures car maintenance affordability.
- Consumers are encouraged to trade away their rights under Australian Consumer Law to enter a long-term conditional warranty scheme.
- Increased consumer confusion surrounding their new car warranty. Our store owners are consistently exposed to consumers who are confused as to how they can repair their car and not void their new car warranty. Our ongoing challenge is to educate consumers that their rights under Australian Consumer Law allow their car to be repaired by an independent repairer. We believe the conditional warranty proposal increases this confusion.

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- Danger of other car manufacturers following suit which will effectively shut out the opportunity for the independent repair sector to compete. This will result in higher prices, impacts on quality and lower service standards for the consumer.

The Auto One group has been providing the automotive market with competitively priced, quality parts that are fit for purpose for over 30 years, providing choice to consumers which assists in reducing the cost of car ownership.

We believe this recent exclusive dealing notification announced by Mitsubishi Motors will severely impact competition and consumers and have a damaging effect on the many families in our group that rely on a sustainable independent automotive aftermarket. I urge the ACCC to revoke this exclusive dealing notification.

Yours sincerely



Chris Gillian

Managing Director

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