

Importance: High

Categories: Submission

through the aftermarket channels without an exorbitant mark-up the dealer network adds to it. (the author of this email has been involved in aftermarket parts sales for over 20 years before joining the team at this workshop) As an example of this, vehicle manufacturer "ABC" builds a car using a component made by company "XYZ". This company supplies these parts to the factory to be fitted to a vehicle. Years later, this vehicle comes to an independent repairer with a fault that is traced back to the part made by XYZ. This workshop calls the dealer for a price on a replacement part, which for the purpose of the exercise has a retail price of \$500 and it will come in a box marked ABC, yet the part will have XYZ stamped on it. The workshop also calls an aftermarket supplier, who has access to the part made by XYZ but not sourced through the dealer, and they can supply it to the workshop with a retail price of \$400 and the **only** difference is that it comes in a box marked "XYZ". So as well as a lower labour rate, that's an extra \$100 in the pocket of the customer for the *exact same part*. As a real life example, [REDACTED]

Perceived quality of workmanship and knowledge:

Manufacturers have always touted that "no one knows your car like we do", and they service cars with a higher degree of care and skill. We feel that paints an unfair picture in the mind of the consumer. In regards to the higher degree of care and skill, all our technicians are either fully qualified or currently in the process of gaining qualifications (apprenticeship), and being a small business that prides itself on the level of care and quality, one can easily argue that this particular statement should not come into the comparison.

As to the knowledge of the particular vehicle in mind, the dealerships have an obvious head start on the training of new vehicles, but for general servicing this is very rarely an issue. In fact, with the new legislation regarding access to information, there is now the ability for us to access repair information on the majority of vehicles (some are still blocking access to this), which has certainly been of benefit to our workshop operations as well as our customers, who would certainly rather pay our much lower hourly rate on a complex job.

Also, there are a lot of "ex dealer" mechanics out there in other independent workshops, who bring knowledge and experience with them to another job, which further weakens their argument around this.

Warranty conditions:

The consumer is asked to surrender their right to use an independent repairer for what are quite dubious benefits. The warranty documentation gives a great deal of room to reject most warranty claims. In fact, the limited Life Warranty can be interpreted to exempt any mechanical component that falls under the regular service schedule including any powertrain or driveline component after 20000 kms or 12 months, should it fail.

Summary:

The consumer will pay more for scheduled servicing, will pay more for manufacturer branded parts (remember, a lot of these exact same parts can be sourced through other channels), and will not receive any warranty benefits beyond their rights under the Australian Consumer Law. In fact, some would argue that under the terms of this 'extended' warranty, the consumer rights for remedy are considerable reduced.

There is very limited consumer benefit here and we would argue that consumers are considerably worse off than not having this extended warranty – but many will act out of fear of losing these so-called additional consumer rights for warranty claims.

We therefore urge the ACCC to revoke this exclusive dealing notification.

Warm regards

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