

Andrew Mahoney
ACCC
23 Marcus Clarke Street,
Canberra ACT 2601

RN10000433

Dear Andrew,

The exclusive dealing clearly reduces competition by seeking to exclude any suitably qualified automobile repairer from servicing MMAL vehicles. This will include independent repairers, repair groups, repair franchises and even other OEM dealers who may accept an MMAL vehicle as a trade in and wish to sell as a used vehicle.

This exclusive dealing is a marketing tool disguised as a consumer benefit designed to lock consumers into vehicle servicing at an MMAL dealer for the period of the warranty. The consumer will be paying a premium for vehicle servicing throughout the term of warranty when compared to independent repairers. This increased cost over 10 years will likely outweigh any benefit provided by the extended warranty. MMAL's claim that their servicing is somehow better than that provided by independent repairers is spurious at best with the ACCC already ruling in this area. Consumers report to us the poor customer service received from OEM dealers (in general) as well as long lead times required to obtain a service booking. Excluding independent repairers will only exacerbate this situation leading to a worse outcome for consumers.

The terms and conditions state the vehicle must be serviced within 2 months or 2,000km of the schedule or the warranty is void. Industry experience tells us most vehicle owners will fall foul of this requirement, especially if it has to be met for a period of 10 years. Subsequent owners of MMAL vehicles will also likely not be aware of the terms and conditions of the 10 year warranty and through action or inaction, cause the warranty to be void.

It is for these reasons I believe the exclusive dealing will without doubt lessen competition and has insufficient public benefit to outweigh the detriment.

Regards,

Michael Bradbury



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