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**From:** Towers Automotive Aaron and Kelly Stibbs <towersautomotive@hotmail.com>  
**Sent:** Wednesday, 7 October 2020 10:02 AM  
**To:** Adjudication  
**Subject:** Interested Parties Objection - Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433.

**Categories:** Submission

Good morning

We wish to submit our objection to the abovementioned submission and request that the ACCC revoke this notification as this conduct

1. Has the purpose, effect or likely effect of substantially lessening competition, and
2. In all the circumstances will not result in likely public benefit which would outweigh the likely public detriment.

We have owned and operated a small workshop in a town call Charters Towers in north Queensland since 2005 and currently employ 6 staff. We are also members of the Repco Authorised Service Network.

Being less than 1.5 hours away from the coast, our town has seen single- and multi-branded dealerships abandon this community over our involvement in the industry over the last 25 years, to the point that after Holden removed their signage just last week, only Toyota/Mahindra (owned by a dealer in Townsville) are the only one left in our town.

#### **Confusion of statutory warranty vs extended warranty**

- Many customers advise us when they are buying a new car that they won't be continuing servicing their vehicles with us based solely on the (false) belief that non-dealer servicing will void their manufacturers warranty – which they mistakenly believe is the same as consumer rights.
- A lot of our existing customers express that they would much rather continue servicing with us then “having to go back” to the dealership. Some (especially elderly ones) are quite upset that they have to change mechanics.
- We advise customers to read any small print of extended warranties which clauses that vehicles MUST be serviced back with the purchasing dealer otherwise voiding their “FREE” (or worse, costed) extended warranty and factor this into the cost of the new car purchase.
- We frequently hand out flyers from the AAAA explaining the difference, as well as texting links to the ACCC website regarding choice of repairer.
- And even after all of this, we have had 3 or 4 contact us after buying a new car telling us they felt “pressured” into servicing out of town at the dealership to avoid “voiding their warranty”

*Also the number of times (once already last week) that dealerships will falsely claim either accidental or malicious damage by their customers as to why they won't cover their warranty.*

*This week it has been a Mitsubishi Triton – known failure of the steering rack – refusing to cover so customer has to pay the \$1985 price to replace with an aftermarket rack. The genuine rack is \$2200 and they have 12 in Brisbane and 10 in Sydney which suggests to me that this superseded part number is because of a well-known and wide-spread fault! Confirmed by the discussion I had with the Spare Parts Interpreter who knew exactly what the problem was and that the part number had superseded before he even brought up the vehicle in his system.*

**If Mitsubishi Motors Australia is allowed to lessen the competition by being exclusive servicing, the vehicle owners in rural communities will have to (based on our own experiences for warranty work on vehicles we have owned)**

- travel to the nearest dealer being in Townsville 130km away
- take a day off work and/or arrange kids collected/taken to school.
- often travel early in the morning or late in the afternoon which is the worst time for wildlife on the roads
- at least half a tank of fuel (based on our own vehicles)

- at times they do not offer courtesy cars (I have had to pay \$100 in taxi fares to shopping centres to wait for my vehicle's windscreen to be fitted and recalibrated – which no one in our town does. We looked into it – the calibration machine is \$50K to purchase with software)

***This was my personal experience a few weeks ago.***

- had to leave Charters Towers at 6.30am.
- Had to slam on the brakes on the highway when a kangaroo jumped out in front of my 8-week old car.
- was given a lift after waiting 45 mins to book in and wait for the courtesy bus to take me and my son to a local shopping centre.
- walk around for an hour and a half before walking to his Orthodontic appointment (1.3km walking)
- walked back to the shopping centre (still had not received an update)
- called and they said at least another half an hour
- walked back to the dealership (1.7km) and still had to wait another 50 mins
- did not leave the dealership until 3.54pm which meant driving back for an hour and a half into a setting sun.
- (by the way – we told the dealership what the problem was – with pictures – got back in the car and it hadn't been fixed at all. Now I have to arrange for another appointment at a later date)

**Information sharing**

We have read as part of the submission that one of the arguments is that their techs are more “skilled” and take “greater care” at servicing vehicles than the aftermarket.

Whilst putting aside how insulting that is to the all techs who train at TAFE beside dealership technicians, if Mitsubishi were indeed worried about the servicing and maintenance of their vehicle then they would be participating in the Voluntary Heads of Agreement to share this information with the aftermarket at a commercially-appropriate fee.

As part of our benchmarking training with Repco Authorised Service the pie graph we are shown by our trainer the profit gains from various sections of their business - the majority of the profit is obtained through servicing and parts sales.

Therefore we can only conclude that the request to be excluded is based solely on commercial gain rather than the disingenuous “protection of our customers and their vehicles”.

If they were sincere about this – then they would be putting their profits in to either bricks-and-mortar dealerships, partnerships with existing dealerships within rural and remote communities, or sub-agents with aftermarket repairers.

**This is something we feel really passionate about! I believe that if MMAL are allowed to be excluded by offering a false extended warranty that it will lead other brands to do the same, and be of detriment to car owners and the community in general.**

**We are happy to be contacted regarding this submission.**

Many thanks

*Aaron and Kelly Stibbs*

**Towers Automotive**

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