

ULTRA TUNE CROYDON
GROMLEY PTY LTD

Third October 2020

Dear Sirs,

Submission in response to Mitsubishi Motors Australian Limited (MMAL) exclusive dealing notification RN10000433.

I refer to the above notification by MMAL.

I am the franchisee for Ultra Tune Croydon since 2000

The market for the supply of aftermarket servicing impacts the new vehicle for those vehicles for 10 years.

If their application is accepted, other new vehicle manufacturer's will follow suit lessening competition and servicing choice for customer.

- Concentration of manufacturer marketing power for an extended period.
- Monopoly on the first 10 years for vehicle, dealer may raise prices for repairs & parts. Lower customer service standards further. Less choice.

Customer misunderstanding / confusion of warranty and service requirements.

- Open to abuse of power by dealer when selling/promoting their vehicles. Not all information regarding warranties may be brought to the attention of consumer.
- Customer is likely to only hear 10 year warranty if servicing done by dealer.
- Customer may believe that have to have damage repairs done at dealer.
- The warranty does not provide any substantial benefit above the existing Australia consumer law.
- Customers are unable to compare benefit for after marketing servicing against the additional 5 years as MMAL have not provided service pricing. Already 9/10 have car serviced by dealer while under warranty.
- Encourage attitude of customer fear losing a 10 year warranty which we say does not really offer any substantial benefit to the customer.

The proposal does not improve customer quality vehicle servicing (due to MMAL exercising significantly greater control over its Dealer and services centres").

- We provide independent & cheaper servicing.
- We provide better customer service. Many leave dealers because of bad customer service.
- Manufacturer undue influence on dealer.
- We offer the customer choice of more expensive genuine parts or cheaper but equivalent quality after market parts.

We are a family run Business if this does go ahead will certainly create Potential loss of Wages with Covid impact already there is great uncertainty in our industry as we move forward .

Apprentice will certainly lose their job with any potential loss of income into the business .

This may open up a pathway for other dealerships to go down the same road .

Lastly my customers should have a choice were to service their vehicles .

MMAL have claimed that their market share of the Australia new vehicle market is only 7.8%. However, their proposed new warranty will affect and capture the all new Mitsubshi vehicles. Should their application be accepted this will exclude me

Thank you

Ian King