

9 October 2020

Email adjudication@accc.gov.au

Dear Sirs,

Submission in response to Mitsubishi Motors Australian Limited (MMAL) exclusive dealing notification RN100000433.

I refer to the above notification by MMAL.

I am the franchisee for Ultra Tune Rockingham for the past 6 years.

I have been in the mechanical industry for best part of 25 years, from on the tools right through to currently owning one of the largest independent franchise workshops in WA.

We currently employ 7 people in the shop + admin staff.

I object to MMAL's notification as it will have a negative impact on consumer choice and is not of public benefit by preventing independent servicing workshops (like mine) from servicing their vehicles. If their notification is accepted, other new vehicle manufacturer's will follow suit and thereby lessening competition and servicing choice for customers.

- Concentration of manufacturer marketing power for an extended period.
- Monopoly on the first 10 years of servicing for a 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 their warranty may be brought to the attention of consumer.
This is currently an issue in the industry already that manufacturers will tell new car buyers that the car must be serviced by the dealer to maintain the warranty which is simply not true. This will only become worse if the warranty was to be extended and have a legal clause written in enforcing it.
- Customers are likely to only hear "10 year warranty if servicing done by dealer".
- Customers may incorrectly believe that they need to have repairs done at a dealer.
- The warranty does not provide any substantial benefit above the existing Australia consumer law.
- Customers are unable to properly compare the benefits of aftermarket servicing against maintaining their 10 year warranty as MMAL have not provided service pricing. Already a

large % have their car serviced by dealer while under warranty. But it should not be made virtually impossible to go elsewhere without incurring a penalty.

- Encourage an attitude of fear (amongst customers) of losing a 10 year warranty. Which does not really offer any substantial benefit to the customer.
- Not all consumers have easy access to a dealer, customers who live and work remotely won't be able to travel hundreds of klms to a dealer to maintain this "warranty" and therefore are placed at an unfair disadvantage over the metro consumer.
- Local workshops that exist to provide services to these regional clients will suffer greatly as these customers are/will be forced to take the car back to metro areas for repairs etc. thus placing even greater pressure on the regional communities of Australia. An area of the country that is already under tremendous pressure.
- Holiday makers who are traveling and have servicing/repairs required will be at a disadvantage if they are in areas of limited dealer coverage. They may run the risk of voiding the "warranty" through no fault of their own, simply due to coverage issues, again disadvantaging the consumer unduely.
- If this "warranty" is easily voided by simply maintaining your own vehicle at the wrong workshop, how will that effect the used car sales market? How can ongoing consumers be sure that the car they are purchasing actually has the advertised "10 year warranty" this will be easy to exploit unsuspecting people who don't complete proper due dilligence before purchase. Which will only serve to build on public opinion that workshops/car yards are out to "rip them off" This is a stigma that we at Ultra Tune group are trying to show the general public IS NOT the case these days, not add fuel to the fire by allowing dishonest car yards a way to exploit unsuspecting consumers.

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

- We provide independant & cheaper servicing in most cases and the consumer should have the right to use who they choose.
- We provide better customer service. Many leave dealers because of bad customer service. I hear this on a daily basis that local dealers are difficult to deal with and often have 2-3 weeks lead times to get the vehicle in anyway.
- Manufacturer undue influence on dealer.
- We offer the customer choice of more expensive genuine parts or cheaper but equivalent quality after market parts. By limiting this it will have a great flow on the the parts industry as well as repairers.