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Our Ref: C2013/148
Contact Officer: Gina D'Ettorre
Contact Phone: 03 9290 1483

28 February 2013

Sent by email

Dear Sir/Madam

Royal Automobile Club of Queensland applications for authorisation A91358 & A91359 - interested party consultation

The Australian Competition and Consumer Commission (the ACCC) has received applications for authorisation from the Royal Automobile Club of Queensland (RACQ).

The purpose of this letter is to invite you, as a potentially interested party, to comment on the application. Please see the ACCC's publication <u>Authorisation process - the basics</u> for a summary of the authorisation process and how to make a submission to the ACCC.

The proposed conduct

RACQ is seeking to enhance its RACQ Approved Repairers Network by including a requirement that all RACQ Approved Repairers offer a standard express warranty for repair services to RACQ members. Where further repairs are required that are covered by that express warranty, the RACQ member may require another RACQ Approved Repairer to undertake those repairs. Where that occurs, the RACQ member will not be charged for the repair, instead the RACQ Approved Repairer undertaking the warranty repair will charge the RACQ Approved Repairer who did the original repair and gave the express warranty, at a fixed labour cost.

The arrangements relate to mechanical repairs rather than smash repairs.

To achieve the above, RACQ is seeking authorisation to enter into an agreement with RACQ Approved Repairers that will fix and maintain the labour charge that each RACQ Approved Repairer will charge other RACQ Approved Repairers for repair work done to honour a warranty given by the original RACQ Approved Repairer to an RACQ Member.

RACQ also seeks authorisation on behalf of RACQ Approved Repairers to refuse to provide to non-RACQ members:

- i) the express warranty involving reciprocal repairs
- ii) warranty repair services at no charge and

iii) warranty repair services at no charge where the original repairs were not performed by another RACQ Approved Repairer.

A full copy of the applications for authorisation are available on the ACCC's website < www.accc.gov.au/AuthorisationsRegister >. Alternatively, you can contact Gina D'Ettorre on 03 9290 1483 to obtain a hard copy of the applications and supporting submission.

Request for submissions

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

If you intend to provide a submission in relation to RACQ's applications for authorisation, please do so by **Thursday**, **21 March 2013**

Alternatively, if you would like to provide comments orally, please contact Gina D'Ettorre to organise a suitable time.

Submissions will be placed on the ACCC's public register subject to any request for exclusion. Please see the ACCC's publication <u>Guidelines for excluding information from the public register</u>.

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information.

20 February 2013	Lodgement of application and supporting submission.
28 February 2013	Public consultation process begins.
21 March 2013	Closing date for submissions from interested parties.
4 April 2013	Applicant responds to issues raised in the public consultation process.
April/May 2013	Draft determination.
April/May 2013	Public consultation on draft determination including any conference if called.
May/June 2013	Final determination.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the applications at the draft and final determination stages. If you are able to, please provide a nominated contact email address for future correspondence.

You can also forward this letter to any other party you consider may wish to make a submission to the ACCC regarding the applications.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Gina D'Ettorre on 03 9290 1483 or at gina.dettorre@accc.gov.au.

Yours sincerely

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David Hatfield

Director

Adjudication Branch

Initial consultation - interested parties

Australian Motor Industry Federation Choice

Federal Chamber of Automotive Industries

Insurance Council of Australia

Motor Trades Association ACT

Motor Trades Association NSW

Motor Trades Association NT

Motor Trades Association of Queensland

Motor Trades Association of South Australia

Motor Trades Association of Tasmania

Motor Trades Association of Western Australia

NRMA

Office of Fair Trading Queensland

RACV

Tasmanian Automobile Chamber of Commerce Victorian Automobile Chamber of Commerce