



**Australian
Competition &
Consumer
Commission**

Our Ref: C2013/148
Your Ref: AGH:PDM:154642-21
Contact Officer: Gina D'Ettorre
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4 April 2013

Mr Paul McLachlan
Partner
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Dear Paul

Royal Automobile Club of Queensland applications for authorisation A91358 & A91359 – request for further information

As discussed in our teleconference today, the ACCC would appreciate if you could provide information in relation to the following, in a form that may be placed on the ACCC's public register:

1. Please describe the degree of uniformity of labour rates for automotive mechanical repairs across Queensland.
2. Please describe how RACQ determined the agreed hourly labour rate and how it compares with rates across Queensland.
3. What proportion of total mechanical repairs in Queensland do RACQ Approved Repairers undertake?
4. What proportion of total mechanical repairs do warranty repairs typically account for? What proportion of these warranty repairs do you expect will be performed by an RACQ Approved Repairer that did not undertake the original repairs?
5. The ACCC understands that RACQ currently provides a dispute resolution service between RACQ Members and RACQ Approved Repairers. Does the RACQ anticipate that the proposed arrangements will have an impact on the number or complexity of these disputes?
6. Your submission states that setting a labour rate for warranty repairs performed by an RACQ Approved Repairer other than the original repairer is unlikely to signal prices for labour rates more generally because of constraints on RACQ Approved Repairers. Please describe those constraints and explain why you consider the proposed arrangements are unlikely to result in price signalling.

I would appreciate if you could provide a response to the above by 12 April 2013.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this request, please do not hesitate to contact me on 02 6243 1266 or at david.hatfield@accc.gov.au, or Gina D'Ettorre on 03 9290 1483 or at gina.dettorre@accc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Hatfield', is positioned above the printed name.

David Hatfield
Director
Adjudication Branch