

Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433.

Interested Party Response – Objection to the Notification

Email to: adjudication@accc.gov.au

Andrew Mahoney
ACCC
23 Marcus Clarke Street,
Canberra ACT 2601

To Whom it may concern,

I run an independent workshop called A.D.M. Motors in Caulfield South Victoria. We employ 4 mechanics, within the business supporting their families.

We have been in operation for 17 years and have developed a really busy workshop with a strong following. All of my employees have been with me for a number of years.

Over the years we have had a number of customers who have preferred to have their vehicles serviced with us. Some choose to even do so straight away others move across during the warranty period. Some customers have had bad experiences with dealers of which we have been able to sort out. In fact as I am writing this letter I am quoting 2 jobs, one for a Lexus and the other for a Volkswagen as the customers do not want the dealers to work on their vehicles.

We have invested a lot of time and money into tooling and software. We have some of the top of the range computers enabling us to reset service lights and work on the modern vehicles.

We need to keep business in our industry.

I strongly object to Mitsubishi's exclusive dealing notification and request that the ACCC revoke this notification based on the following:

1. It 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.
3. Section 45 of the Competition and Consumer Act prohibits contracts, arrangements, understandings or concerted practices that have the purpose, effect or likely effect of substantially lessening competition.
4. MMAL exclusive dealing notification will lessen competition and will impact consumers with higher service costs over time and will restrict services provided by independent repairers.
5. The extended new car warranty is “**complimentary**” however conditional in accordance with the MMAL T&C's. This displays an intent to restrict competition in the marketplace

and is in breach of the principles outlined in the ACL. Furthermore, the extended new car warranty is transferable to a new owner which adds to reduced competition in the market.

6. New vehicle buyers will be informed of the extended warranty offer at the point of sale and will likely result in misleading sales tactics and information overload by salespeople. This was a key finding in the ACCC New Car Retailing Market Study.
7. If approved, will invalidate any progress on the mandatory data sharing law which we have been lobbying for over 10 years now.
8. MMAL's terms are anti-competitive and borders on unconscionable conduct as it provides bargaining strength to new car dealers.
9. This exclusive dealing arrangement only serves the interest of large multinational companies at the expense of many Australian working families who have been significantly impacted by COVID.
10. If approved, will set a precedent for other car manufacturers to follow suit and will have far reaching ramifications for independent service centre's eventually leading to their demise.
11. Any potential cost savings are reduced when a customer is required to travel 100's of km's to their nearest dealer. Dealers often outsource complex issues to the aftermarket for rectification so claiming that vehicles will be serviced at a dealer with a high degree of care and skill is spurious at best.
12. MMAL's reference to warranty protection outlined in their T&C's already breaches the ACL and is misleading: *Regularly maintaining your Mitsubishi vehicle in accordance with the recommended service schedule **at a Mitsubishi Dealer is the best way to protect your new car.** By having your vehicle maintained by a Mitsubishi Dealer, it is understood that your vehicle is being serviced by Mitsubishi experts and will be fitted with Mitsubishi Genuine Parts. Doing this maintains your Mitsubishi vehicle and your warranty in the best condition. **Non-genuine parts are not covered by your New Car Warranty.** If a non-genuine part is fitted to your vehicle, and the part causes any damage, the damage will not be covered by your New Car Warranty.*
13. Vehicle servicing at dealerships can be more expensive than the independent repair sector due to higher labour rates and expensive manufacturer branded parts. Consumers will therefore pay more for vehicle servicing over the term of the warranty period.

Thank you

Adam Adler

Adam Adler
Owner
A.D.M. Motors
530 – 534 Hawthorn Road
Caulfield South
Victoria 3162