

[REDACTED]

12 October 2020

[REDACTED]

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

Interested Party Response – Objection to the Notification

Email to: adjudication@acc.gov.au

[REDACTED] object to this notification and request that the ACCC revoke this notification due to the cause and effect of further diminishing competition in the industry and effectively removing 'choice' for customers.

We oppose this notification because it has:

1. the purpose of **substantially lessening competition** through reducing vehicles available for independent repairers to service;
2. there is **no public benefit** that would outweigh the detriment by sanctioning an exclusive, 10-year access period to the vehicle for a higher cost motor dealer network for servicing - and using the threat of voiding warranty coverage - to block alternative choices in the market; and
3. **this notification ignores and defies the October 2019 Federal Government announcement** of legislation to mandate the sharing of motor vehicle service and repair information, primarily to *allow consumers the right to have their vehicles safely repaired by the repairer of their choice.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] is an active supporter of the Australian Automotive Aftermarket Association and their campaigns for open and fair competition. In our view, the proposal from MMAL will lead to **a significant reduction in consumer rights and fair competition.**

[REDACTED]

Current Situation

There is already much confusion and fatigue when purchasing a vehicle. Consumers are given limited information on guarantees at the time of purchase, and the impression given to the consumer regarding servicing and warranty coverage is at best complicating, or confounding.

We note the Mitsubishi submission nominates that purchasers of their vehicles will remain able to obtain repairs (as distinct from servicing) from an independent repairer or service centre without it affecting the 10-year warranty.

It is well established that dealership labour rates and vehicle manufacturer branded parts are in many cases more expensive than the independent repair and service sector. This notification will deter customers to look elsewhere for the same repair at lower costs as part of the dealership 'service' and seems to contradict the Australian Government's "**level playing field in the sector.**"

This has been acknowledged in the conclusion of the consultation process by Treasury for a mandatory scheme for sharing motor vehicle service and repair information in October 2019. The key observations of the consultation included;

- *The Australian Government has is committed to supporting appropriate commercial dealings and competition in the automotive sector for the benefit of both small businesses and consumers. This includes designing a mandatory scheme for access to motor vehicle service and repair information (the scheme). **This scheme would provide a level playing field in the sector and allow consumers to have their vehicles safely repaired by the repairer of their choice.***
- *Treasury received 53 submissions as part of the first round of formal public consultations. Overall stakeholders were largely in favour of the scheme and its key elements.*
- *In particular, there was general acceptance of a simple and clear requirement that independent repairers should be able to access all information provided to dealerships.*

Conclusion

The proposal from MMAL, which will likely open the flood gates for other vehicle manufacturers, would almost exclusively limit vehicles available for repair by independent businesses. Consumers will therefore pay more for car maintenance as well as surrendering choice in order to achieve what they already have under Australian Consumer Law.

[REDACTED]

[REDACTED]

We firmly believe that the Mitsubishi Exclusive Dealing notification, if not revoked by the ACCC, will have the effect or likely effect of substantially lessening competition and that the public detriment would outweigh any likely public benefit.

[REDACTED] would hope that the ACCC will make a decision on this notification that will allow all market participants fair and equal access to vehicle repair and encourage competition on price and quality.

This is Australia, a free country, and all market participants should be able to supply their products to Mitsubishi vehicle owners without any fear that their actions would result in a loss of their warranty rights.

Yours sincerely,

[REDACTED]

[REDACTED]

[REDACTED]