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Australian Competition and Consumer Commission

Email: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

### **RN10000433 – Mitsubishi Motors Australia Limited – submission**

Dear ACCC,

The AADA is the peak organisation representing franchised new car Dealers. The AADA has over 1,500 members who combined own and operate more than 3,000 Dealerships Australia wide. Our Mitsubishi members are comprised of 183 Dealers and service outlets operating in 198 locations around the country.

The AADA has discussed this with our Mitsubishi members and the membership in general and we fully support the MMAL proposal to introduce a warranty which provides an additional five years factory warranty to customers who have used only Mitsubishi Dealers or services centres for the servicing of their Mitsubishi vehicle.

The approval of this notification and the arrangements that MMAL is seeking to introduce, will in no way effect or influence the Australian Consumer Law rights of Mitsubishi customers. Nor will it reduce competition in the repair sector, which is well endowed by tens of thousands of independent repairers and other franchised Dealer workshops.


We note that several other Manufacturers, including Holden, Subaru and Hyundai, have successfully introduced very similar arrangements to those proposed in the MMAL notification. Our observation and assessment of these programs is that they provide a substantial benefit to their customers with no negative impact on competition.

The Australian automotive industry is one of the most competitive in the world and will continue to offer consumers extensive choice of repairer. Competition for repairs and service comes from other franchised Dealers, of which there are over 50 brands represented, independent repairers and through intra-brand competition from other Mitsubishi Dealers. This competitive market also serves to reduce prices for products and services on offer and it is unlikely that this five-year extension of warranty will influence the costs to consumers.

Equally, irrespective of their choice of repairer, Mitsubishi customers will at a minimum, retain a five-year warranty which in itself is competitive and currently comparable to others in the market. We also contend that there will be no detriment to rural and remote Mitsubishi customers as a result of this proposal. Often, where a customer resides in a geographically remote location not near a Dealership, special arrangements can be made which allow for the nearest available trusted repairer, be they independent or franchised to another brand, to complete any necessary service and repair work. We would expect that MMAL and the selling Dealer would facilitate such an arrangement for customers who find themselves in this situation, should the need arise, thus allowing them to participate in the 10-year warranty program.

In summary, the AADA believe no consumer detriment will arise from the proposed arrangement and there will be no reduction in competition in the Australian automotive service and repair market.

Yours sincerely,

  
James Voortman  
Chief Executive Officer