



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Mitsubishi Motors Australia Limited – Exclusive dealing notification RN10000433

Submission to the Australian Competition and Consumer
Commission

9 October 2020

Andrew Mahony
Analyst Adjudication
Merger and Authorisation Review
Australian Competition and Consumer Commission
Level 17, 2 Lonsdale Street
Melbourne VIC 3000

ACCC Reference: RN10000433

Via email: adjudication@acc.gov.au

Dear Mr Mahony,

The Business Council of Co-operatives and Mutuals (**BCCM**) is pleased to make this submission in response to Mitsubishi Motors Australia Limited's (**MMAL**) exclusive dealing notification RN10000433 (**the Notification**).

The BCCM is the national peak body for co-operative and mutual enterprises in Australia across all industries. BCCM's members serve millions of Australian motorists and thousands of small businesses in the automotive sector.

Co-operatives and mutuals are enterprises that are owned by consumers, producers (small businesses), employees or a mix of these stakeholders. With their focus on consumer outcomes and small business sustainability, Australia's consumer-owned and producer-owned co-operatives and mutuals are vital competitive forces in many markets. The BCCM supports policies and regulation that provides a level playing field for independent businesses, including co-operatives, to compete and provide consumers with greater choice.

The BCCM has reviewed the Notification and MMAL's proposal for a new extended warranty.

The BCCM has also reviewed and supports the submission made by the Australian Automotive Aftermarket Association (AAAA) in response to the Notification.

We are concerned that the proposed extended warranty outlined in the Notification is likely to result in a substantial lessening of competition in the aftermarket service and parts market because:

- Allowing exclusion of independent providers by MMAL will likely result in similar extended warranties from other manufacturers with substantial new car market share
- Consumers tend to stay with their original dealership for the period of a warranty and the extension will significantly extend the period during which independent service

providers are potentially locked out, with significant potential financial impact on these small businesses

- As owners must use Mitsubishi centres and Mitsubishi centres use branded parts, this limits the potential for competition by suppliers of Mitsubishi compatible OEM and aftermarket parts.
- Acceptance of the Notification could thereby effectively pave the way for manufacturers to circumvent the practical impact of the important Mandatory Data Sharing reforms in the automotive sector.

Furthermore, we are concerned that the Notification does not clearly address which repairs and parts can be undertaken or sourced by independent service providers during the extended warranty period. MMAL should clarify that repairs can be undertaken by independent service providers, clearly define a 'repair', and that parts used for a repair need not be obtained from a MMAL dealer or service centre.

BCCM objects to the Notification.

If the ACCC accepts the Notification, the ACCC should require MMAL clarify the scope of repairs and parts that are outside the warranty when offering its extended warranty.

We would be pleased to provide further information on any matters raised in this submission.

Yours sincerely,



Melina Morrison
Chief Executive Officer

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