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12th October 2020

Attn: Mr Andrew Mahony

Dear Andrew,

As a local manufacturer, CSM Service Bodies employs over 50 people throughout Brisbane and regional Queensland. Established almost 20 years ago, the Company supplies service bodies and alloy trays to a national client base. We are a market leader in our field, operating predominantly in the automotive fleet and aftermarket accessory segments.

CSM is an active member of the Australian Automotive Aftermarket Association. We have been consistent supporters of the various AAAA campaigns for open and fair competition. The recent submission lodged by Mitsubishi Motors Australia Limited with the ACCC for exclusive servicing associated with a 10 year warranty is a backward step in fostering an open, level playing field for consumer rights and industry competition.

Car owners are already confused about their rights regarding vehicle warranty associated with repairs. Although the consumer may have the right to revert to a 5 year warranty should they choose to use an independent service agent, Mitsubishi is unlikely to clearly explain this to them. OEMs appear to encourage doubt and fear among consumers when it comes to their right to use non-genuine parts and accessories.

Under the submission from MMAL consumers would pay more for servicing and repairs - and will surrender their right of choice under Australian Consumer Law. Under what mechanism would the consumer be notified whether the 10 year warranty offer will cost them more or less over, say, the first five years of the warranty when choosing whether to commit to a dealer or take the vehicle to an independent service agent? The cost of servicing and repairs is rarely, if ever, disclosed during the transaction of the vehicle sale.

Although the Mitsubishi submission to the ACCC suggests that consumers remain able to obtain "repairs" from an independent repairer or service centre without affecting the 10 year warranty, the reality is that majority of repairs are identified at the time of vehicle servicing. In most cases Original Equipment parts and dealership labour rates are higher than the independents. When using a dealership repair centre the consumer is not given the option of genuine or non-genuine parts. The difference in price and/or quality is likewise not demonstrated or explained.

CSM Service Bodies has been a part of the Australian automotive industry for nearly 20 years. As an experienced business in the industry, we believe that the Mitsubishi Exclusive Dealing notification would likely have a negative impact on the industry by lessening competition and increasing vehicle maintenance costs to the consumer. We trust that the ACCC will make a decision on the MMAL submission that will allow quality Australian made products to compete on price, quality and service – and for local companies to supply parts and service to Mitsubishi vehicle owners without causing them any fear that their actions would result in loss of their warranty rights.

Yours sincerely

Greg Lowe
General Manager

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