
From: Adrian O'Donoghue [REDACTED]
Sent: Wednesday, 7 October 2020 2:28 PM
To: Adjudication
Subject: Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433

Categories: Submission

Interested Party Response – Objection to the Notification RN10000433

On behalf of MotorActive, I object to this notification and request that the ACCC revoke this notification because the conduct:

1. 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.

MotorActive has been operating in the automotive aftermarket industry for 30 years, representing premium brands such as Mobil 1 (oil) and Meguiar's (car care). Our customers include independent workshops that will almost certainly be negatively impacted by the proposed MMAL 10 year warranty as Mitsubishi owners will increasingly take their repair/maintenance jobs to MMAL dealers.

Our industry experience and observation over three decades suggests that it's highly likely other brands will follow suit and we will see a significant lessening of competition because the independent repair sector will be excluded. If consumers don't have any choice, or perceive they don't, the car brands will dominate servicing and repairs. Vehicle manufacturers could raise already expensive prices for parts and repairs for a sustained period, produce lower quality products with no corresponding reduction in price, and fail to offer any product variety.

Many car owners believe that if you go to an independent repairer you will void the new car warranty, until they're informed of their statutory rights under the Australian Consumer Law. The proposed MMAL extended warranty perpetuates this myth. It is not legal to say the using an independent will void the warranty, but if this notification is approved it will be OK to say that you will void the 'extended' warranty if you use an independent repairer. All of the effort we have put into making consumers aware that they **do have** choice, will be lost because you will be officially approving a deal that **removes choice**.

Ultimately, there is very limited consumer benefit from the proposed warranty and I would argue that consumers are considerably worse off than not having this MMAL extended warranty.

I urge the ACCC to revoke this exclusive dealing notification.

Thanks for your consideration.

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Motor-Active

