The Garage Pty Ltd T/As The Garage Miami

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Interested Party Response – Objection to the Notification – Mitsubishi Motors Australian Limited (MMAL) Exclusive Dealing Notification RN10000433

To Whom It May Concern:

Our team objects to this notification and request that the ACCC revoke this notification because this 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.

Why this is not in our community's best interest

The Garage Miami is a multi-branded service centre that specialises in 2-10 year old vehicles.

Our customers love our service because we offer factory trained technicians in one location without having to visit multiple dealerships to have all of their vehicles serviced - This is truly more convenient.

Furthermore, we offer a 'Genuine parts or better' service which is on average 30% less expensive than dealers. This allows our customers to upgrade their vehicles without extra cost.

We have 14 employees offering premium service levels (our customers say better than the dealers) without all of the hassle and disorganization car dealers normally present to the general motoring community as owner operated car dealerships make way for huge money hungry corporates.



Plus we are trusted!

We currently supply services to numerous extended warranty businesses successfully – and they are not forcing the customer to visit any one location or outlet. The issue is not the extended warranty – But rather making consumers believe they are the only technicians qualified to maintain the vehicle correctly. This notion alone is deceitful.

It is our opinion that the overall cost of ownership of these Mitsubishi vehicles will increase.

Correctly and regularly serviced vehicles of this quality rarely experience large issues prior to 200,000kms anyhow, yet the cost of maintenance for the customer over this time will be considerably higher as their choice of parts is removed and high labour rates are passed on. Plus the dealer is less likely to feel the need to compete on price!

Many of our customers have recent experience with concepts like 'capped price' servicing and even 'free servicing' where the total invoice would be considerably less with our business (using genuine parts or better) once auxiliary service items like wipers, brakes and tyres are included to the total invoice.

Our fear is that the dealers lever the customers into a position where they once again feel that they can't go anywhere else in case they void their warranty!

This choice of repairer concept has been a hard fought battle for the industry and our consumers which is now supported by the ACCC. Australian motorists are currently reaping the benefits of choice of repairer. To remove this seems archaic at best.

Furthermore the line between normal wear and tear and warranty becomes blurred

What will these companies exclude from their extended warranties over time. We suggest it will include most of the standard repair items these vehicles experience during this time e.g. suspension rubbers, bushes etc. So the actual cost saving or benefit of the warranty extension to the customer is likely to be further reduced.

Please do not allow Mitsubishi to set this dangerous precedent that will once again remove consumers' choice of repairer and set the automotive industry backwards decades.



If you would like to discuss these concepts further please do not hesitate to contact us.

Regards,

Nathan Brookes and Andrew Whiteway

Directors

