

Ultra Tune Capalaba  
8/42 Smith Street  
Capalaba Qld 4165

9 October 2020

Email adjudication@accc.gov.au

Dear Reader,

**Submission in response to Mitsubishi Motors Australian Limited (MMAL) exclusive dealing notification RN10000433.**

I refer to the above notification by MMAL.

I have been an Ultra Tune franchisee for over 15 years. I currently own and operate the Capalaba Ultra Tune Store in Queensland.

At one point I was the owner operator of the Cleveland, Carindale and Capalaba Ultra Tune stores in Queensland.

I currently employ four people – two Mechanics, one apprentice mechanic and a bookkeeper.

My objection to MMAL's notification is based on a number of reasons.

Primarily, the negative impact on consumer choice. The industry has been working towards ensuring the consumer has a wide selection of workshops to choose from which has the added benefit of underpinning healthy competition – a win for the consumer and the economy.

I believe it is not to the public benefit by stymieing or preventing independent servicing workshops (like mine) from servicing Mitsubishi owners' vehicles.

If MMAL notification is accepted, other new vehicle manufacturer's will surely follow suit and thereby further lessening competition and servicing choice for customers.

- The increase of manufacturer marketing power for an extended period.
- This will have the effect of creating a monopoly on the first 10 years of servicing for a Mitsubishi vehicle, and in turn the dealer may likely raise prices for repairs & parts.
- Rather than giving better service, the effect would more likely lead to lowering customer service standards further than what they are already.
- The MMAL notification will certainly provide the customer with less choice not more.

Customers will be subject to greater levels of misunderstanding and confusion of warranty and service requirements.

- This would lead to an opening to an abuse of power by Mitsubishi dealers when selling/promoting their vehicles.
- Not all information regarding their warranty may be brought to the attention of consumer.
- Customer are likely to only hear "10 year warranty if servicing done by dealer", this in my view could, in various ways be misleading and deceptive to the customer.
- Customers may incorrectly believe (for up to 10 years) that they need to have repairs done at a Mitsubishi authorised dealer.

- The warranty does not provide any substantial benefit above the existing Australia consumer law.
- Customers will be unable to properly compare the benefits of aftermarket servicing against maintaining their 10 year warranty as MMAL have not provided service pricing. Already 9/10 have car serviced by dealer while under warranty.
- If the MMAL notification was accepted, it would certainly encourage an attitude of fear amongst customers of losing a 10 year warranty and which does not really offer any substantial benefit to the customer but rather would make them feel 'locked in'.

The proposal does not improve the quality of vehicle servicing to customers (due to MMAL exercising significantly greater control over its Dealer and services centres).

- My business provides independent & cheaper servicing and we provide better customer service. We know this because many of my customers with newer cars left the dealers because of bad customer service.
- This notification, if successful, will provide the manufacturer with undue influence on their dealer network.
- We in the aftermarket service/repair sector, offer the customer choice of more expensive genuine parts or cheaper but equivalent quality after market parts.

Yours Sincerely,

Chris Young  
Franchisee  
Ultra Tune Capalaba Qld.