

Ultra Tune Fortitude Valley
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7 October 2020

Email to: adjudication@accc.gov.au

Dear Sirs,

Submission in response to Mitsubishi Motors Australian Limited (MMAL) exclusive dealing notification RN100000433.

I refer to the above notification by MMAL.

I am the franchisee for Ultra Tune Fortitude Valley since 2008.

I have been in the car industry for approx 20 years and 12 years as an independent mechanic & mechanical workshop. We employ 1 manager and 5 mechanics.

I object to MMAL's notification as it will have a negative impact on consumer choice and is not of public benefit by preventing independent servicing workshops (like mine) from servicing their vehicles.

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

- Concentration of manufacturer marketing power for an extended period.
- Monopoly on the first 10 years of servicing for a vehicle, dealer may raise prices for repairs & parts. Lower customer service standards further. Less choice.

Customer misunderstanding / confusion of warranty and service requirements.

- Open to abuse of power by dealer when selling/promoting their vehicles. Not all information regarding their warranty may be brought to the attention of consumer.
- Customers are likely to only hear "10 year warranty if servicing done by dealer".
- Customers may incorrectly believe that they need to have repairs done at a dealer.
- The warranty does not provide any substantial benefit above the existing Australia consumer law.
- Customers are 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.
- Encourage an attitude of fear (amongst customers) of losing a 10 year warranty. Which does not really offer any substantial benefit to the customer.

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").

- We provide independent & cheaper servicing.
- We provide better customer service. Many leave dealers because of bad customer service.
- Manufacturer undue influence on dealer.

- We offer the customer choice of more expensive genuine parts or cheaper but equivalent quality after market parts.

Yours truly,

Chris Luu
Franchisee for Ultra Tune Fortitude Valley