



Ginjul Pty Ltd t/a
UltraTune Milton
ABN 24 139 497 797
10 Heussler Terrace
Milton Q 4064
T: +617 3369 2666
F: +617 3369 2435
E: milton@ultratune.com.au

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Australian Competition & Consumer Commission

By email: adjudication@accc.gov.au

Dear Sirs,

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

I refer to the above notification by MMAL and hereby provide an objection to their submission.

I have owned various Ultra Tune franchise stores over the past 15 years. I am a qualified mechanic and have been working in the motor vehicle industry for over 36 years. Prior to procuring my first Ultra Tune franchise I was employed in a large dealership in inner-city Brisbane. My current workshop employs 6 staff and I pride myself on employing and hand-raising my own apprentices. Ultra Tune franchises are owned by Australians with revenues being fed straight back in to Australian families and the Australian economy.

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 MMAL vehicles.

If this notification is accepted, other new vehicle manufacturers will follow suit thereby:

- Lessening competition and servicing choice for customers
- Concentration of manufacturer marketing power for an extended period
- Monopolising the first 10 years of servicing for a vehicle where the dealer may raise prices for repairs & parts, lower customer service standards further, providing less choice



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This proposal will only lead to further exacerbation of customer misunderstanding and confusion of warranty and service requirements, such as:

- Dealers may abuse their power when selling/promoting their vehicles. Not all information regarding warranty may be brought to the attention of the consumer
- Customer are likely to only hear “10 year warranty if servicing done by dealer”
- Customers may incorrectly “fear” that they need to have repairs carried out by a dealer

- The warranty doesn’t provide any substantial benefit above existing Australian 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
- We already hear on a daily basis from customers that they are afraid to take their car for servicing outside of their dealer. Often we have an established relationship with a customer for years and the moment they upgrade their car we lose them due to dealer extended warranty fear-mongering.

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

- We provide independent and lower cost servicing
- We provide a higher level of customer service due to our need to retain customer relations
- Most customers end up coming to us from a dealer after a bad experience with customer service
- We are able to offer the customer better choice and price levels due to our ability to acquire genuine parts or OEM at the customer’s preference

Should this submission be allowed a lot of hard working Australians and their families will suffer significant financial damage. In the current economic climate, this submission is completely preposterous!

Yours sincerely,

Corrado Gagliardi
Director