



UltraTune – North Ryde,
Repairers Licence MVRL24165
Shop UC 149 Express Carpark,
Macquarie Shopping Center,
Waterloo Road,
North Ryde. N.S.W. 2113
Phone Number: (02) 9888 5046
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Postal Address:



7th October 2020.

Dear Sirs,

Submission in Response to Mitsubishi Motors Australia Limited exclusive dealing notification RN110000433.

I have been the Franchisee of Ultra Tune North Ryde since 1990.

I have been in the motor vehicle industry for forty years.

I spent 10 years with a company manufacturing parts for the aftermarket as well as for Motor Vehicle Manufacturers.

We brought to the market one of the first Aftermarket High Mount brake lights sold in this country. I designed a child capsule in polystyrene to Australian Standards, so it was approved for marketing. We were involved in the introduction of wool and polypropylene as fabrics for use in car seat coverings. We grew what was a five-million-dollar turnover company to one with a turnover of fifteen million dollars annually. During this time, I was an active committee member of the Australian Automotive Aftermarket Association (New South Wales Division). I was also a member of the Australian Standards Committee for Automotive Restraint Systems.

When that company was sold to overseas interests, I purchased the Ultra Tune Franchise in Macquarie Shopping Centre in Sydney. I have operated this centre for the last 30 years and have grown with the development of new technology such as variable valve timing and electronic control systems in motor vehicles.

During this time, I have seen many suspect marketing ploys used by Manufacturers and their Dealers to lure clients into their workshops. The main reason that they do this is to manipulate market by use of improper practices. Examples are

1. offering reduced or free service costs. The dealer is compensated for the lower service costs by the manufacturer manipulating the service requirements to a lower standard than they would be if the vehicle were serviced properly. Then there is an extra charge for the "additional" service items.
2. to charge a higher than necessary capital cost for the vehicle, put the extra cost into a trust fund and compensate the Dealer to create a higher service fee than advertised or admitted to.
3. To offer a seven-year warranty because they know that the general public is not disciplined enough to follow the requirements enabling the warranty. It is interesting to note the failure rate of warranty claims for KIA vehicles.

When one reviews the advertising used by Manufacturers and Dealers it is appropriate to note the spread of unfair manipulation of position by supposed competitors as they copy what has been started. The offering of extended warranties by Mitsubishi will become extended warranties by all Manufacturers, provided you follow the individual manufacturer's requirements.

This is against the Trade Practices Act as

"misusing substantial market power to eliminate or damage a competitor or potential competitor"

Mitsubishi are trying to imply through this arrangement that their obligation is under their statutory and voluntary warranties and not the Australian Guarantee Legislation.

This application is a backward step for Consumers. It is interesting to note that it has come before the Commission at a time when the sharing of information legislation is being drafted. It is an attempt to render that legislation impotent by not taking any notice of it.

We have seen dealers quote exorbitant fees for the repair of vehicles problems that do not exist currently but will in the future. We gave a second opinion on a Holden Cruze where the customer was advised they should replace the front and rear brake pads and disc rotors when there was no immediate need. Similarly, Subaru, where the quote was for a known fault of the vehicle, which was not in evidence at the time of the implied need to spend the money. If you remove the opportunity of consumers to be able to make their choice of repairer, you have decreased the freedom of the market.

The current sale of local dealers into the conglomerates that are forming, is increasing the need for more freedom in the marketplace as the power of the conglomerates increase.

We still see consumers flee from Dealers when they see the value of the Invoices, they are given, with servicing based on kilometres/time. By granting this application you would be reducing the perceived freedom of Mitsubishi owners, (and by the copy implication of all vehicle owners), to seek servicing of their vehicle based on their use of the vehicle. You would also create a circumstance where consumers would be brow beaten into believing that they had to join in this unfair manipulation of the market if they were not to damage their warranty options in the future.

We know that Dealership salesmen still incorrectly advise clients about their obligations when their vehicle is under warranty. We know that it is much easier to have a warranty item dealt with if you have been servicing with the dealer, than if you have not. We know that the market is still manipulated to pressure clients to take actions favourable to the Dealer and not actions which are in the consumers' best interests.

It is interesting to note that Manufacturers Service Intervals are always in kilometre distances that most consumers do not drive. Thus, servicing is usually required based on time intervals. As a result, consumers do not understand their obligations to continue to validate their warranty. They are confused by why they should service based on time and not just kilometres only. So how easy will it be for Mitsubishi to deny warranty repairs even if people have serviced the vehicles with a Mitsubishi Dealer. It will not be the first time such manipulation of the Manufacturers rules has been used to deny liability. So again, consumers will be disadvantaged to the benefit of the Manufacturer's Dealers.

I thought that the Trade Practices Act was introduced to prevent corporations and businesses from

- behaving anti-competitively or unconscionably and
- treating consumers unfairly or deceptively

This application provides a perfect environment where activities of the nature the Trace Practices Act is designed to prevent, could flourish. The ACCC would be unable to prove that it was happening, in the same way they are unable to prove that illegal pressure is put on consumers, and inaccurate statements are made by Dealers' employees, about the consumers rights under warranty legislation.

To grant this application would allow the greatest undermining of all that has been achieved so far in the development of legislation favourable to consumers' rights in the Automotive Industry. It should not be granted.

Yours Sincerely,



Raymond Keith White B.Sc. (UNSW); Grad Dip Mgmt. (CAIE)