



29th January 2021

Productivity Commission
Australian Government

By email: repair@pc.gov.au

Submission to **Right to Repair Issues Paper** December 2020

Thank you for the opportunity to respond to the issues paper.

By way of introduction, established in 1915, Dux Hot Water is the oldest water heater manufacturer in Australia. By volume, near 90% of our revenue is from Australian made products, manufactured locally in our Moss Vale factory, in the NSW Southern Highlands.

Dux is the largest private employer in the area and since the closure of Electrolux Refrigeration plant in Orange in 2016, we're the only manufacturer of large appliances remaining in regional Australia. Dux manufactures or markets a full range of electric water heaters including Electric Storage, Gas Storage, Gas Continuous Flow, Solar, Heat Pump and Commercial water heaters.

Unlike many other consumer goods covered by the ACL, water heaters are complex, consumer appliances that require a licenced tradesperson for their installation/repair to ensure public health. In the context of water heaters, some key R2R considerations are:

- Water heaters are not portable appliances.
- Water heaters are subject to mandatory product certifications and the requirements of local technical regulatory authorities.
- Depending on their fuel type, water heaters interact with electricity and/or gas and can emit combustion products (including carbon monoxide) and hydrogen gas.
- Hot water can cause serious scald injuries. To mitigate against these potential risks and dangers, all states and territories require that water heaters are installed, serviced, repaired and replaced by suitably qualified and licensed technicians.
- The risk of legionella exists should a water heater not be serviced according to manufacturer's recommendations.
- Repairs carried out under consumer guarantee or manufacturer warranty are a special case and should be treated as such.



Dux Manufacturing appoints a network of over 400 approved service agents across Australia. These service agents have received specialised training in our products and are best placed to safely and effectively diagnose faults and repair such products. Dux employs a full-time Training and Compliance Manager, who provides training and escalated advice to the service agent network.

Based on our experience, the skill and competence levels of repair persons varies widely, even though they may be licensed in the applicable jurisdiction to undertake repair work. This is the reason why Dux has invested significant resources into establishing, training and continually assessing its service agent network.

Information Requests

Dux has only provided responses to information requests where it has a particular view. Where no response has been given, the Commission should assume that Dux has no specific comment.

Information Request 2a - What types of products and repair markets should the Commission focus on?

Products and repair markets where there is evidence of problems. Dux does not believe this is the case in the Australian water heater market.

Information Request 3a - Do the consumer guarantees under the ACL provide adequate access to repair remedies for defective goods? If not, what changes could be made to improve access to repair remedies? Are there barriers to repairing products purchased using new forms of payment technologies, such as 'buy now pay later'?

Dux does not believe there are barriers for access to repair remedies for defective water heaters.

Information Request 3b - Is the guarantee of available repair facilities and spare parts effective in providing access to repair services and parts? Or is the opt out clause being widely used, making the guarantee ineffective?

Dux does not believe there is a lack access to repair services and spare parts in the water heater market. We are not aware of instances of the opt-out clause being used in this market.

Information Request 4b - Is there any evidence of a difference in quality, safety or data security between authorised repair networks and independent repairers? Are there ways to address concerns around quality, safety or data security while promoting a vibrant independent repair market?

Definitely, and especially in the most complex water heaters like continuous flow, solar and heat pump. Dux would be very concerned about the quality and safety of repairs on these especially complex products by independent repairers, who lack familiarity and training.



Information Request 5c - Do current IP protections pose a significant barrier to repair in Australia?

Dux does not believe IP protections pose a significant barrier to repair in the water heater market.

IP protections apply to manufacturer service and repair information, which contain the specific and detailed information for fault diagnosis and repair applicable to their products. In an R2R context we believe it is in the interests of consumer safety and achieving successful repair outcomes that this information is available and used by licensed persons that have the requisite specialist knowledge and skills to use it safely and successfully. This is not necessarily the case for those whom have not received specialist training from manufacturers, even though they may be licensed in the applicable jurisdiction to undertake service and repair work.

Information Request 6a - What evidence is there of planned obsolescence in Australian product markets? Do concerns about planned obsolescence principally relate to premature failure of devices or in them being discarded still working when more attractive products enter the market?

Most water heaters sold in Australia have a minimum of 10 year's product warranty on the tank. The longevity of water heaters and the long warranties despite their relative low cost, should be viewed as evidence that there is no planned obsolescence by Dux.

Information Request 8a - What policy reforms or suite of policies (if any) are necessary to facilitate a 'right to repair' in Australia?

Dux does not believe there are barriers to access to repair remedies for defective water heaters in Australia but recognise these may exist for other products. As such, water heaters should be excluded from any policy reforms in this regard.

Thanks for the opportunity to submit our response.

Should you require further clarification on any aspect of this submission, please don't hesitate to contact me.

Yours sincerely

Simon Terry
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