

February 11, 2021



Right to Repair

Productivity Commission

4 National Circuit

Barton ACT 2600, Australia

Via online submission: www.pc.gov.au/inquiries/current/repair

📍 PO Box 5116,
Glenferrie South VIC 3122
☎ Tel: (+61) 0467 002 322
✉ info@tma.asn.au
🌐 www.tma.asn.au

Dear Sir/Madam,

Right to Repair Submission

The *Tractor & Machinery Industry of Australia* (TMA) is a member-based industry organisation which was established over 70 years ago to represent the interests and development of importers, manufacturers and sellers of agricultural tractors and machinery in Australia. The TMA made the **attached** submission to the ACCC's 'Agricultural machinery: After-sales markets' inquiry in 2020 and, as this submission addresses a number of the issues raised in the Productivity Commission's inquiry, also submits this to the PC for its consideration.

The TMA notes that the PC has identified that the key issue in the right to repair debate is the correct balance of 'benefits and costs to consumers, suppliers and manufacturers'. In the context of agricultural machinery, the TMA's submission is that this balance has been substantially achieved and that no further regulatory intervention can be justified. The key issues in relation to the agricultural machinery markets include:

- The customer base is largely made up of sophisticated consumers who are typically well aware of the total life cycle costs associated with such major purchases. Competitive pressures already impose obligations upon manufacturers and their authorised dealers to provide efficiently priced repairs to end users;
- The extent to which the manufacturer's authorised dealers are provided with greater levels of technical support by manufacturers is a natural and necessary consequence of the authorised dealer model. Manufacturers rely upon their independent authorised dealers to make sales of product and to provide a high level of customer support, both for warranty and maintenance repairs. Manufacturers impose minimum requirements for dealer facilities and the training of technicians, which generally exceed that achieved by independent repairers who are not representing their brand. If manufacturers were to provide similar levels of support to all repairers, this would allow independent repairers to 'free ride' and undermine the local businesses operated by the authorised

dealers. This in turn would impact the sales of the manufacturer and potentially the extensive access to global product currently enjoyed by the customer.

TMA members are supportive of customers 'right to repair', provided that this does not lead to reductions in safety and performance of the agricultural equipment that they and their authorised dealers supply to the Australian market.

Yours faithfully

Gary Northover
Executive Director