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Right to Repair: Response to Draft Report

Firstly, I would like to show my appreciation for all the work that has gone into reviewing submissions and arriving at the draft report. There has been a lot to process and many areas that have been taken into consideration, including my sector which is watchmaking.

In my response I would like to provide my views on the preliminary assessment and be given the chance to engage with further evidence production if it should be required. The most prominent points relevant to watchmakers from the report included:

- Higher-priced repairs at 'authorised dealers'
- Limited and restricted access to spare parts
- Impact on the watchmaking industry 'downplayed' by the report
- The possibility of a 'Positive Obligation Policy'

I will aim to elaborate on these points and hope to shed further light for further investigation and policy making. As far as I understand, a lot more evidence and data will be needed to make further decision regarding policy. These cannot be provided satisfactorily in this report, however if the commission could provide myself and other watchmakers time and specific requests of evidence of data, they could be provided.

Higher-priced repairs at 'authorised dealers'

As an independent watchmaker, I work under my own business name and title with no affiliation to big-brand names. I am therefore not an authorised dealer of any one brand. My training through TAFE and apprenticeship program has instilled me with the necessary skills and foundations to repair a large percentage (approximately 65%) of watches in the market.

The obvious exclusions are limited editions made by independent watchmakers, complicated and limited pieces made by large brands that require specific training, and other watches that are variations of this nature. These are out of my expertise range as they are built with large modifications that do not follow the basic servicing principles of most watches, hence they are not pieces I work on (this is akin to an 'all-round' car mechanic not fixing a Tesla or Ferarri – they are technically cars, but of a different nature).

Since approximately 65% of watches have the same basic mechanics, they are highly repairable by trained and qualified watchmakers or technicians, such as myself. **This is what gives consumers a choice and allows them to look for competitive prices, turnaround times, and options of repair.**

The issues for the consumer go way beyond higher price. They face issues such as:

- Watches being sent overseas due to lack of skill within the Australian division repair centres, increasing repair time.
- Forced non-optional repairs for completely irrelevant aspects of the watch.
 - Imagine going to get your tyres changed only to be told that your front windscreen needs replacing. Sure it might not be brand new, but you should not be forced to change it – you just want the tyres done. In the case of a watch, you need a battery changed or a bracelet fixed, and you are told your watch needs a lot more work than that otherwise they won't change your battery. A customer should be forewarned and told of impending issues, but not be forced to do more than what they want.
- With full services, customers are not given the option to have aesthetic components changed and get replaced by being deemed as 'essential'.
- Even within repair centres, the lack of repair skills leads to watches failing earlier than expected, underperforming watches, or non-working watches. This leaves customers unsatisfied but with nowhere else to go as they **have to take the watch to the authorised dealer**

Limited and restricted access to spare parts

In my first submission I outlined how the limited and sometimes complete lack of supply of spare from large watch brands has negatively impacted my industry, and myself personally.

What this looks like in my industry:

- I need one component replaced in a watch as it has significant wear. I cannot contact the company and order it as they won't provide that part. I lose a job, the customer is forced to go to the authorised dealer which they wanted to avoid.
- A customer approaches me and says they had a bad customer service experience with a large brand; they were going to take many months to repair it; they wanted to send the watch overseas; they were told other repairs needed to be done; or the watch was worked on many times and continued to have issues. **I cannot help this consumer in any way as the large brand will not provide me with parts.**
- In many circumstances I am able to find non-genuine or aftermarket parts that are made to the exact specifications of the original, however they are very rarely supplied by local businesses. This forces me to send business overseas to locations where I can actually get what I need to help the consumer out. This drives money away from the local economy and feeds a grey market which has appeared due to these restrictions. [Customers are always advised if components are non-genuine and they rarely have any objections. They would prefer this than to deal with the authorised dealer].

Impact on the Watchmaking industry 'downplayed' by the report

The report made the following conclusion regarding the watch sector:

“And while high-end watches are expensive and repair is highly technical, consumer harm is likely to be small given the small size of that repair market.” -Page 12 of the 'Productivity Commission Draft Report – Overview'

I fear the approach of 'quantity over quality' has superseded in this instance and failed to capture the significance this issue is to both the Watchmaker and the consumer. Although

the market is small, dissatisfaction for consumers is large, and the impact on the independent watchmaker is literally killing the trade.

My first response would be to highlight just how consumers are dissatisfied:

- Consumers have to waste large amounts of time dealing with big brands that may take a long time to quote, have very long wait times on sometimes simple repairs, and have to return due to failed original repairs.
- Consumers are **forced** to change aspects of their watch that they may want to keep, for example: dials, hands, bezels etc. all of which may hold high sentimental or monetary value.
- Consumers may be asked to have their watch shipped overseas or elsewhere for repairs putting the watch at extensive risk and leaving the consumer at times feeling anxious.

My second response is again highlighting how it is not only the consumer being impacted:

- As an independent I have had to resort to working for other longer established independents as opposed to starting my own business. I will not be able to be completely independent until this changes.
- The watchmaking sector is slowly shrinking, from watchmakers to suppliers, as there is less opportunities for anyone to enter the trade.
- Independents in the past have had to close doors due to the difficulties this has put them through.

My third is to present the hypothetical of independent watchmakers ceasing to exist. This **will** happen if spare parts restrictions continue to occur, and if the Swiss, Japanese and other watchmaking industries do not communicate with the independents. With no independent watchmakers you will have:

- No one with relevant knowledge in Australia do work on obsolete or older mechanisms which are taught at the TAFE institution. These are in many times highly collectable or have significant historical value.
- No one with flexible problem solving abilities to be able to address anything other than a standard 'service' of a watch.
- No one to work on a watch with high sentimental value due forced upgrades or changes to the watch.
- No one to do a simple battery change without quoting for many other repairs.
- No one local to approach for watch advice or repairs.

This list of inconveniences and detriments to the consumer could go on, but I believe the point is made.

What a 'Positive Obligation Policy' could look like for the Watchmaking sector

The proposed positive obligation policy could very well encompass watchmakers along with other sectors. I believe watchmakers are not looking for specialised and unique policies, but rather to fall under the umbrella policy that would be applied to industries such as the automotive industry. Ultimately, there is no reason to exclude watchmaking under policies that will be applied to other industries. Watchmaking does not deal with heavy machinery,

life-support equipment, dangerous equipment or substances that pose environmental threats, or other factors that could discourage their inclusion under policies applied to other sectors.

The policy would not be one-sided in any way, in the sense that big brands would not be forced without exception to provide spare parts to independents. What independents want to achieve with large brands is to:

- Communicate
- Negotiate
- Discuss
- Find mutually beneficial agreements
- Acquire a mutually supportive relationship where both the brand and the independent can benefit, not only monetarily, but also in terms of reputation.

Further evidence of consumer harm

At the moment evidence is anecdotal and understandably difficult for analysis. I would like to be given the chance in future to work with other groups and watchmakers to question the general public on the impact they have experienced due to watchmakers being denied spare parts. This could range from asking about wait times, quality of repairs, having to send watches or travel far for repairs, or other questions of this nature.

One sample pool that could be useful is the Facebook forum called 'The Australian Watch Forum'. There are often times where people make posts complaining about repairs and wait times across various brands. Perhaps the commission could independently approach this group of people, or assign this task to the Watch and Clockmakers of Australia.

Thank you for the chance to voice my opinion,
Christopher Soto