

Watch and Clockmakers of Australia Inc.



Liability of Members is Limited

Right to Repair:- Productivity Commission Submission

Introduction:-

The (WCA) Watch and Clockmakers of Australia Inc is the peak industry trade body for professional horologists in Australia. It was founded in 1946 and was formally known as the Horological Guild of Australasia. It has since been active for over 75 years in providing support to the trade and its members in their development of knowledge and skills with the vast majority of the membership comprising of trade qualified, independent watchmakers at the bench. It currently has over 200 members across Australia with an increasing number of younger members seeking to establish a career as independent watchmakers.

The WCA is pleased to have the opportunity to highlight the important issues that are affecting our members in regards to the Australian Government's 'Right to Repair' Productivity Commission Inquiry and make the following submission.

Major Concerns:

1. Restrictive Supply of Spare Parts Policy by the Watch Manufacturing Industry.

The watch repair industry around the world has been subjected to the effects of a policy by many major watch brands of not supplying spare parts to independent watchmakers. This trend started in the late 1980s and has continued to snowball with manufacturers denying to supply fully qualified and well equipped independent workshops with parts, specialised tools or technical information to be able to repair high-grade brand watches. This is despite the fact that it was these same watchmakers who helped build the brand of the watch companies in the Australian market in the past. Brand reputation is improved when repairers can endorse the manufacturer because of the cooperative supply of spare parts and service information. The restriction of parts supply is currently again being challenged overseas in the courts in Europe with the Cousins UK versus Swatch Group case before the Bern Commercial Court with a verdict expected to be reached by the end of March 2021.

<https://www.cousinsuk.com/page/news>

2. Consumers do not have a choice of where to have their watch repaired or what they will have to pay to have it repaired.

The monopolistic mindset behind the current Australian market, which does not allow consumers to have a choice on where to repair watches, goes against core morals and values generally held in Australia. At present, high grade watch companies have been allowed to take control of after sales services and lock consumers into extended repair waiting times.

In many cases, this is attributed to watches being sent to either Europe or other off-shore locations set up in the Asia-Pacific area, many times leaving the owner of the watch with no choice in the final cost of the repair. The owners are also often locked into a 'Sunk-Cost fallacy' where they have already invested significant money to purchase a high grade watch so feel they have no choice but to accept the manufacturer's (or agent's) quotation. In some cases they feel additionally obliged to accept the quotation because of high prices they are charged for shipping and quotation, even when sent through manufacturers or authorised brand representatives.

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3. The restriction of spare parts has led to the slow elimination of local industry and locally trained watchmakers

The implications of the restrictive supply of spare parts to independent watchmakers has created a negative response from local watchmakers who see no strong future for the tradesperson at the bench and have even become reluctant to take on apprentices and train the next generation of watchmakers. This is in turn putting pressure on the viability of government funding for trade training in Australia which has already led to the closure of watchmaking schools in Victoria and Queensland due to low number of enrolments. Furthermore, some brands which do allow for their limited work to be completed here in Australia have ceased hiring locally trained watchmakers and have instead invested in hiring overseas technicians through their internal transferring policies. The restriction of parts has allowed this cycle to start and will only exacerbate it until it is impossible to train watchmakers locally.

4. In the case of some flexibility from large watchmaking brands and companies, expensive and often unrealistic expectations are set

Whilst some brands may have initiated a pathway for independent watchmakers to access spare parts, the amount of time and effort in becoming an accredited repairer, and the high cost in the initial investment of tools, almost makes the arrangement untenable. This is considering that there is no control for the independent watchmaker in signing an unconscionable contract that is weighted heavily in favour of brand. On top of this, some brands require stock levels on demand and even have strong price suggestions, which often cannot be bargained with.

In the case of some brands offering parts, similar issues arise and usually other guidelines are further enforced on the independent watchmaker such brand association restriction or limits on what models can be repaired. Independents will usually find themselves in the position of having large restrictions imposed on them which they cannot uphold, or in common cases, being the ‘middle-man’ for these brands saving them postage and labour costs – essentially using the independent watchmaker to save on their own costs.

Conclusions:

The restrictive supply of watch spare parts policy is one that has affected our trade for over 30 years. Whilst we have tried many avenues of finding a resolution over the years we have been unable to change the playing field when it comes to taking on large international companies, it is in all cases the classic David versus Goliath scenario. These major concerns stem from the fact that the watch repair industry in Australia is a niche industry and many may incorrectly hold a belief that it is a dying trade. Whilst the trade may be small, the thirst for “Haute Horology” or high grade mechanical watchmaking by consumers continues to grow in strength around the world and the demand for qualified and highly skilled practical watch repairers will always be in demand in Australia.

Independent watchmakers who are trade qualified are capable of repairing wristwatches to the same standard that the manufacturers or their agencies can provide. We are not competitors to the sales or service departments of the major brands, but allies. We believe that the resumption of provision of manufacturer spare parts and technical information would provide benefits for the consumer as well as the industry; bringing choice to the consumer and increasing the future viability of the businesses of independent watchmakers. The WCA would be most pleased to provide further submissions as the inquiry progresses.

Yours Sincerely,

Trenton Firth
WCA Federal President