



Australian Government
Productivity Commission
By email: www.pc.gov.au/inquiries/current/repair

1 February 2021

Submission to 'Right to Repair, Productivity Commission Issues Paper, December 2020'

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

By way of background, GAMAA was formed in 1957 and currently has 37 member companies both large and small. It is the peak industry body representing the interests of Australian manufacturers and suppliers of domestic and commercial gas heating, hot water, cooking and commercial catering appliances and associated components (gas products). Our member companies employ a combined total of 4,500 workers in Australia, with a significant Australian manufacturing and employment base. The vast majority of the 12 Million domestic gas products enjoyed by Australian consumers are supplied by GAMAA members. Our primary activity is to work with our members, government agencies, political representatives and other industry stakeholders to develop and implement workable, equitable and practical initiatives, standards and regulations that address the unique role of gas products in Australian homes and businesses.

GAMAA supports the submissions from AiGroup and the Consumer Electronics Association of Australia (CESA) on this matter. Gas products have some distinct differences compared to many other consumer goods covered by the ACL, as follows:

- a. they are relatively complex, expensive and long lasting. The majority of gas products form part of complex systems that require installation, commissioning, fault finding and repair by licensed specialists.
- b. often the gas product is not the root cause of consumer complaints, problems or failures. Rather it is some other part of the system and/or flaws in the design or commissioning of the system.
- c. depending on their design, gas appliances also interact with electricity and emit combustion products (including carbon monoxide). To mitigate against potential risks and dangers, all states and territories require that gas products water heaters are installed, serviced, repaired and replaced by suitably qualified and licensed technicians.
- d. gas products are subject to mandatory product certifications and the requirements of local technical regulatory authorities. The use of non-OEM replacement parts or the repair or restoration of such parts may adversely impact safety, functionality and reliability and may breach product certification rules and the requirements of technical regulatory authorities.
- e. repairs carried out under consumer guarantee or manufacturer warranty are a special case and should be treated as such. This situation is not covered in the issues paper (see further comments under information request 1).

The above considerations are addressed in more detail in our responses to the information requests below.

1. What would a 'right to repair' entail in an Australian context? How should it be defined?

The 'right to repair' relates to the ability of consumers to have their products repaired at a competitive price by the repairer of their choice. With respect to gas products we do not believe there are unnecessary barriers to achieving this as consumers have abundant choice in repair services, parts are readily available and market forces result in competitive pricing.

In our view, repairs under consumer guarantee or manufacturer warranty are a special case not covered in the issues paper.

In the Australian gas product market, manufacturers typically employ their own specialist technicians and/or appoint contractors 'accredited' by them for warranty repairs. These have received specialist information and training from the manufacturer specific to the products supplied and are best placed to safely and effectively diagnose faults and repair such products. The skill and competence levels of repair persons whom have not received such specialist training and accreditation from manufacturers/suppliers varies widely, even though they may be licensed in the applicable jurisdiction to undertake repair work.

Under the ACL, manufacturers have an obligation to repair, replace or provide a refund when a product is defective and is covered by consumer guarantee or express warranty. We support this, however, in the context of R2R, there is no reciprocal obligation in the ACL for consumers to approach the manufacturer in the first instance in such cases.

At present the ACL does not provide protections for manufacturers in cases where a consumer engages a third party for repairs in the first instance and afterwards seeks reimbursement from the manufacturer, even when the gas product was not the root cause of the problem in the first place and/or the repairs were not carried out correctly, and often at a cost that is far higher than would have been the case if the manufacturer had appointed their own technician or accredited contractor in the first place. We believe that any right to repair legislation should ensure that manufacturers are provided with a first option to repair products under warranty.

Of course, if the consumer approaches the manufacturer for warranty repair in the first instance, and the latter fails to resolve the issue satisfactorily then the consumer should have the right to approach an alternative third party and it would then be reasonable for the consumer to seek re-imbursement from the manufacturer for reasonable costs associated with repair.

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

Products and repair markets where there is evidence of problems. We do not believe this is the case in the gas product market.

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'?

We do not believe there are barriers for access to repair remedies for defective gas products.

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?

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

Information requests 3c, 3d and 4a

No comments.

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 cases where the gas product is merely a part of a complex 'system' such as those associated with water heating, space heating, gas cooking and commercial catering. There are serious concerns about the quality and safety of repairs on these complex products and systems by independent repairers, who often lack familiarity and training, even if they are licensed to carry your such work.

This situation is best addressed by increasing the competency levels required for individuals to gain and keep the necessary licenses to carry out servicing and repair of gas products. This responsibility would rest with the state regulatory authorities for plumbing, gas and electricity.

Some independent repairers use non-OEM replacement components and/or repair or restore existing components in a gas product rather than replace them with new OEM parts. This may adversely impact safety, functionality and reliability of the product and may be in breach of product certification rules and the requirements of local technical regulatory authorities. Again, the responsibility for enforcement of the regulatory requirements in this regard rests with the state regulatory authorities for plumbing, gas and electricity.

Information requests 4c to 4g

No comments.

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

We do not believe IP protections pose a significant barrier to repair in the gas product 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 5d

No comments.

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?*

The majority of gas products sold will last many years and as such usually continue to perform effectively for a number of property occupants over their working life. As such, we do not believe there is any evidence of planned obsolescence in the Australian gas product market.

Information requests 6b to 6f and 7

No comments.

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

We do not believe there are barriers to access to repair remedies for defective gas products in Australia but recognise these may exist for other product categories. As such, gas products should be excluded from any policy reforms in this regard.

We believe that any right to repair legislation should ensure that manufacturers of gas products are provided with a first option to repair products under warranty.

Please do not hesitate to engage with us further on this matter.