

# CANEGROWERS HERBERT RIVER

21<sup>st</sup> January 2021

## **RE: Right to Repair in Australia**

Firstly, thank you for the opportunity to make a submission to the Productivity Commission on this matter which is a good initiative of Productivity Commission to better understand the issues that farmers deal with in regard to machinery after-sales markets and Right to Repair in Australia.

As a membership-based organisation, Canegrowers Herbert River represents 90% of cane farmers in the district which represents over 400 cane farmer members. Included in these 400 members are harvester contractors, planting contractors and cane farmers who manage their own farm. The machinery our members purchase varies from tractors costing \$100K to \$250K to harvesters which cost around \$800K.

Our members main concerns include limited access to repair agents due to software quarantining, lack of fault recalls by manufacturers, out of warranty issues and data ownership which all contribute to limited competition.

Farmers have become quite concerned about the limited access they have to repair agents outside of the dealership. Manufacturers have only provided dealerships the appropriate software to diagnose faults or perform software upgrades on the machine. This creates a lack of competition as independent repairers are unable to access the software and drives up the cost of repairs and call outs. The hourly rate charged by dealerships for repairs range from \$130 to \$160 per hour, including travelling time. It would be reasonable for manufacturers of agricultural machinery to allow independent repairers to not only allow access to the software but provide the required training to the independent repairers. This would then encourage competition for farmers to access other repairers for their machinery if it is in or out of warranty.

Warranty parameters provided by machinery manufacturers is also a point of concern. When a farmer has spent \$200K on a tractor they need be provided with a fair warranty which works on an hourly basis rather than time, e.g. 2000 hours not 2 years. At present tractors have a limited warranty, 2000 hours or 2 years depending which is first. For a farm tractor to reach 2000 hours it will take around 5 - 6 years. Hours are more important as the machinery is not keeping track of the date so faults could occur at any time, e.g. around the 3 or 4 year mark there could be an electrical or computer fault and the tractor has only 1200 hours of use.

Furthermore, if a fault which has been reported to the manufacturer by a number of customers on the same model, the manufacturer should be issuing a recall of that particular model to address this reoccurring fault. For example, a common fault in a harvester chopper module was detected within the first year from the manufactured date which amounted to \$38,000 in repairs. The manufacturer repaired those who reported this issue within the warranty period which was 12 months but did not compensate those customers after that period.

And finally, the data ownership inflicted on machinery purchasers is crippling the ability for farmers to purchase other brands as it is not compatible and cannot transfer the data over. This again has competition consequences.

In conclusion, farmers are operating businesses with high operational costs and machinery costs are in the top 3 expenses. We would like to see a more of even playing field to allow farmers to have a broader range of repair agents available and create competition.

Thank you for the opportunity to submit this consultation paper.

If you have any questions or need clarification on any of the above, please don't hesitate to call me

Sincerely yours,

Frank Scardamaglia  
Manager  
Canegrowers Herbert River