



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

1 February 2021

Ms Julie Abramson and Mr Paul Lindwall  
Commissioners  
Productivity Commission  
Level 12, 530 Collins St  
Melbourne Vic 3000

*via email: repair@pc.gov.au*

Dear Ms Abramson and Mr Lindwall

### **Right to Repair**

Small and regional businesses should have greater access to affordable and reasonable repair options. Key to achieving this is:

1. Access to software and diagnostic tools;
2. Removal of explicit and implicit warranty restrictions; and
3. Introduction of a 'right to repair' policy.

We offer further comment on the relevant questions below based on consultation with industry experts including the Australian Automotive Aftermarket Association, the Air Conditioning and Mechanical Contractors' Association, Beaute Industrie, Self-Employed Australia and the National Farmers Federation.

#### **2.b. Product focus and characteristics**

Manufacturer imposed barriers through denial of repair equipment and diagnostic software create challenges for small business. This occurs frequently when products have embedded technology. Examples include denying software that allows a repairer to switch off a 'check engine' light or more significant issues such as the denial of diagnostic software to fix a mechanical fault. As such, the Productivity Commission should have a particular focus on products with embedded technology.

Physical barriers are also a common issue. Often parts that need to be repaired are difficult to access. This can be due to the physical location such as in the Heating Ventilation and Air-Conditioning industry or through denial of tools that allow repairers access to parts. As such, the Productivity Commission should have a particular focus on products with physical barriers to the repairable parts through design location or access to tools.

In each of the above examples, the barriers to repair increase labour costs. This perpetuates a trend where it is cheaper to replace than repair. The Productivity Commission should investigate barriers that result in high labour costs and reduce the likelihood of repair.

#### **4.b. Repair markets – quality and safety between authorised and independent repairers and Original Equipment Manufacturers**

Independent repairers are a reliable and high quality option that provide competition to authorised repairers. Authorised repairers have an unfair advantage through access to diagnostic software and tools. As such, improving the access to appropriate tools and software for independent and third-party repairers will be pivotal to a right to repair policy.

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#### **4.d. OEMs, authorised repairers creating barriers**

Manufacturers impose barriers through warranty conditions on their equipment. For example, farming equipment is often required to be repaired offsite, when it could have easily been fixed onsite. Adding to frustrations, farmers are usually capable of repairing equipment themselves, but are unable due to warranty conditions that stipulate equipment be repaired by an authorised repairer. As such, the Productivity Commission should investigate the warranty conditions that prohibit independent and third-party repairer access to the market.

Barriers also occur when there is an overreliance on authorised repairers. For example, the beauty sector relies on authorised repairers. Often, the repair is simple, however, because it needs to be completed by an authorised repairer who frequently takes a long time to repair the equipment, it remains unusable for a prolonged period. In some cases it is more cost effective, due to loss of business, to replace the equipment. As such, the right to repair policy should focus on areas where authorised repairers are failing to repair effectively, creating a culture of replacing products.

#### **4.g. Policy changes in repair market**

Policy changes should be implemented that ban conditional warranties on the product being repaired by an authorised repairer. As an example, Mitsubishi offer a 10 year warranty with capped price servicing, but only when all scheduled services are completed at a Mitsubishi dealership. This makes it difficult for small and regional repairers to compete with Mitsubishi. As such, the legislation should stipulate that a warranty is not void if it is clear that a capable repairer has fixed the product or the repair did not damage the product or lead to future damages.

A 'right to repair' policy should also allow for easier access to software. This should be aimed at reducing planned obsolescence and allow third-party repairers to have greater access.

#### **6.e. Overseas models benefits, costs and risks, e.g. reparability**

As discussed in the issues paper, the 'right to repair' movement is currently gaining momentum overseas. Both the US and the EU have set up effective models. Australian small businesses would benefit from continuity and consistency that would come from a similar 'right to repair' policy in Australia. Australia should look to the EU's EcoDesign Directive, embrace the circular economy and have confidence in the precedence set by the EU and the US.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Luke Collins [luke.collins@asbfeo.gov.au](mailto:luke.collins@asbfeo.gov.au)

**Kate Carnell AO**

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