



Right to Repair Inquiry

Submission to the Productivity
Commission in support of Right
to Repair reform in the
agriculture sector

AUSTRALIAN
DEMOCRATS

Right to Repair Campaign

RIGHT TO REPAIR IN AGRICULTURE



Australia presents a diverse and geographically challenged agricultural sector. Compounding this is the reality that the Australian agricultural market is comparatively small in global terms. When these issues are coupled with a just-in-time supply chain culture there are significant issues emerging on the after market support of increasingly complex agricultural machinery in Australia.

Limited access to diagnostic tools, genuine spare parts, qualified service technicians, and a range of disincentives, have created an environment that **threatens the competitiveness** of the Australian agricultural sector.

Changes to the right to repair farming machinery is an essential step in improving the productivity of Australian farms and farmers at a time when they are increasingly under threat from increased extreme weather events, and global competition.

In its report *Agriculture machinery: after market sales*, published 28 February, 2020, the Australian Consumer and Competition Commission (ACCC), outlined four key issues of potential concern:

1. **Access to independent agricultural machinery repairs is limited**
2. **Farmers may lack recourse in the event of a problem with their machinery**
3. **Agreements between manufacturers and dealers may limit access to repairs; and**
4. **Data ownership and management may raise privacy and competition issues.**

As noted by the ACCC: *"This [restrictions on access to independent repairers] may disproportionately affect purchasers in remote areas, as the availability of official repairers and genuine parts may be more limited."*

This is most certainly the case. The further removed the farm operations are from regional centres, the longer repairs take to be effected, and the greater the financial impact on the farm from delays. In Australia, even 'local' farms might lie more than 100km from a sizeable town, and even then, that town may not have the skilled personnel or spare parts available.

It is critical to note that most on-farm operations are time-sensitive. Crops need to be harvested within narrow windows that may last days or weeks. Changes in weather - such as the increasing intensity and frequency of frosts, heat waves, rain, or hail storms, for example - can devastate crops entirely. The incidence of smoke taint amongst grape growers in the 2020 harvest highlights the impact a single adverse weather event can have on a crop. Rain or hail during harvest time can quickly render a crop worthless and unable to be harvested.

Financial losses incurred as a result of repair delays are not covered under warranty, and not subject to recourse. These losses can be significant and run to the hundreds of thousands of dollars, even millions of dollars quite quickly. Since farm income is seasonal, losses at any critical harvest times can have a devastating impact with ramifications over a number of seasons or years. Such losses can easily dwarf the purchase price of the machinery.

It should be incumbent on manufacturers and their local dealers that they provide a level of after-market service suited to the operational conditions into which their machinery is sold. This includes accounting for distance traveled for diagnosis, the shipment of spare parts, and repair.

In the event manufacturers and their local dealers are unable to deliver adequate service to purchasers, **it should be the case that repairs be able**

to be undertaken by suitably-qualified, independent technicians. To ensure this is the case, independent technicians will require:

- Access to telemetry and performance data for the machinery
- Access to genuine diagnostic tools and software
- Access to genuine spare parts or approved third-party parts
- The ability to undertake repairs without voiding warranties of the machinery.

Finally, it is imperative that after-market sales be provided in a manner consistent with the criticality of the machinery to farm operations *at the time*. Repair times during peak times must be reduced so as to maximise the productivity of farm infrastructure and equipment, when it is needed most and reduce the risk of farm operational loss.

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