



Reference No: Aftersales Markets/mm-05-20

Date issued: 29/05/2020

Members of the VACC Farm and Industrial Machinery Dealers Association (FIMDA) were advised that on 28 February 2020 the ACCC had released a discussion paper called <u>Agricultural machinery: After-sales</u> <u>markets</u>.

What has FIMDA approach been to the ACCC discussion paper?

VACC has today on behalf of its FIMDA members entered a written submission to the Agriculture Unit of ACCC in response the discussion paper. The paper can be viewed by taking this <u>link</u>.

The FIMDA paper was informed using data received from FIMDA Members via a VACC survey and through face to face consultation with dealers and independent repairers. Your FIMDA Executive Committee also contributed heavily to a range of policy issues that the paper focuses upon.

What is the purpose of the discussion paper?

The purpose of the discussion paper is to help inform ACCC on number of initial concerns relating to competition and fair-trading issues in agricultural machinery after-sales markets, including in relation to manufacturer warranties, servicing and repairs.

What are the key points within the submission?

- VACC has focused its submission on the requirement for an equal playing field for FIMDA Dealers and Independent VACC Repairers members with regards to access of information regarding service and repair, with a focus on the need for ACCC to ensure that farmers in particular are aware of the potential ramifications for attempting to repair a piece of farm machinery without proper training and equipment.
- Similarly, the paper makes the call for access to repair information and training to be made available to aftermarket repairers on reasonable commercial terms. Importantly, the paper heavily focuses on the investment made by franchise dealers in tooling, OHS&E and training. These areas must be addressed to ensure an equal playing field.
- The submission also highlights the frustration that FIMDA members experience when seeking to claim reimbursement from the OEM for Australian Consumer Law (ACL) work completed on behalf of a consumer when a claim is made under the provisions of the ACL. More to the point, the barriers put in place by some OEMS with regards to investigation, authorization and dealer compensation for work completed under warranty or ACL provisions. There is also an analysis on consumers and dealer interactions on extended warranties.
- There is also a strong reference in the submission of farmers importing their own machinery or purchasing grey imports either from auction or other channels and then presenting to the dealership network for warranty or an ACL claim.

I thank the VACC FIMDA Executive Committee and FIMDA members overall for their steadfast involvement in this process.

Michael McKenna MBA Industry Policy Advisor Industry Divisions VACC Level 7 | 464 St Kilda Road | Melbourne Vic 3004 P: 03 9829 1280 | M: 0418 822 939 | F: 03 9867 1795 | W: vacc.com.au