



11 April 2025

Opportunities in the circular economy Inquiry
Productivity Commission
Locked Bag 2, Collins St East
Melbourne Vic 8003

Correspondence via email: circular.economy@pc.gov.au

Dear Commissioners,

RE: Australia's Circular economy: Unlocking the opportunities – interim report

On behalf of the National Farmers' Federation (NFF), I am writing to you regarding the Productivity Commission's *Australia's circular economy: Unlocking the opportunities* interim report. The NFF welcomes the opportunity to comment on the interim report and convey our strong support for draft recommendation 8.1 and encourages the Productivity Commission to retain this recommendation in its final report.

The NFF is the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and length of the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

As it stands there are major barriers to the repair of agricultural machinery in Australia. These barriers to the repair of farm machinery are a serious and longstanding issue for the Australian farming sector. Common barriers to the repair of agricultural machinery are:

- Manufacturers voiding the machine's warranty if purchasers use an independent repairer.
- Manufacturers restricting the supply of genuine parts, technical information and diagnostic software tools to authorised dealers.
- Insufficient recourse being provided by either the product warranty or the Australian Consumer Law in the event of an issue.
- Dealership agreements which contain terms that unduly place the risk of providing repairs on local dealers or prevent dealers competing to provide repair services.



Given the above, the NFFs policy relating to Right to Repair has been extracted below:

1. *The NFF strongly supports the need for greater competition and consumer protections within the agricultural machinery market. The NFF supports a legislated right to repair like that applying to passenger motor vehicles so that farmers are able to have the option to use independent third-party repairers.*
2. *In the event of a product malfunction, it is critical purchasers of agricultural machinery have sufficient consumer protections and avenues for recourse. The NFF believes that the Australian Consumer Guarantee should be extended to include all agricultural machinery to provide farmers with the same protections as other consumers.*

There have been a number of independent inquiries which have confirmed these concerns regarding the Right to Repair for agricultural machinery. In their 2021 report *Agricultural machinery market study* the Australian Competition & Consumer Commission (ACCC) investigated a range of competition and fair-trading issues in markets for the direct sale of agricultural machinery as well as after-sales services such as repairs. Among other recommendations the ACCC recommended that agricultural machinery be included as part of any broader Right to Repair scheme introduced in Australia.

Further, the Productivity Commission's *Right to Repair Inquiry* found that manufacturer and dealer restrictions on repair supplies for agricultural machinery is causing material harm to farmers. The Inquiry report recommended the Australian Government introduce a repair supplies obligation for agricultural machinery. More recently, the Productivity Commission modelled these reforms in the *National Competition Policy: modelling proposed reforms* paper which found that the Right to Repair would lead to higher agricultural output adding \$97 million to GDP and lead to greater competition in the repair sector, adding \$311 million to GDP.

Additionally, some of our international competitors have legislated Right to Repair for agricultural machinery including Canada and the state of Colorado in the United States.

Given the above, the NFF supports and encourages the retention of the following recommendation: *Recommendation 8.1 Evaluating the Motor Vehicle Service and Repair Information Sharing Scheme* which recommends the Australian Governments evaluation of the Motor Vehicle Service and Repair Information Sharing Scheme to assess the costs and benefits for various stakeholders if the scheme were to be expanded to include a greater scope of products (such as agricultural machinery) or to provide fair access to more repair market participants (such as spare parts suppliers and marketplaces).



Please do not hesitate to contact Mr Christopher Young, General Manager of Trade and Economics further. to discuss the matter

Yours sincerely,

Troy Williams
Chief Executive Officer