



Our ref: D21/512

Right to Repair
Productivity Commission
4 National Circuit
BARTON ACT 2600

online: www.pc.gov.au/inquiries/current/repair

Dear Productivity Commission

Right to Repair

The Western Australian Small Business Development Corporation (SBDC) welcomes the opportunity to provide a comment to the Productivity Commission's Right to Repair Issues Paper (Issues Paper).

The SBDC is an independent statutory authority of the Government of Western Australia established to support and facilitate the growth and development of small businesses in the State¹. An important component of the SBDC's mandate is to advocate across all levels of government on behalf of the Western Australian (WA) small business sector. The SBDC strives to influence the formation of the regulatory environment that supports the growth of WA's small business sector.

Despite some protections under the Australian Consumer Law (ACL) the right for consumers to have goods repaired is not defined nor regulated by Government in Australia. Generally the right to repair is considered to be the ability of consumers, which includes small businesses, to have their products repaired at a competitive price.

Whilst the SBDC does not have any specific examples, anecdotally we have long been aware of the difficulties that many small repair businesses face when it comes to accessing information, and the real impact this has on the competitiveness of these businesses. Further we understand that many small business operators face challenges in having their goods repaired at a reasonable price due to a limitation in available repair operators. As a result of this lack of information small businesses, both as repairers and consumers, are often faced with unnecessary, additional costs and delays in finalising the repairs.

As highlighted by the Federal Government in The Treasury's current consultation on the exposure draft legislation to introduce a mandatory sharing of motor vehicle service and repair information scheme, it is important to provide independent repairers with fair access to the information they need to do their job. The SBDC strongly supports the introduction of a mandatory scheme for the sharing of information in the motor vehicle service industry as we believe this will better assist small business repairers

¹ The views presented here are those of the SBDC and not necessarily those of the Western Australian Government.

and provide increased options for consumers choosing who services and repairs their vehicles. The SBDC sees similarities with this Inquiry and the Productivity Commission's inquiry into the general 'Right to Repair'.

To this end, the SBDC supports the sentiment that consumers should have a right to repair and believe that regulatory intervention would be able to assist in enhancing competition and consumer choice in the repair industry generally. It is SBDC's understanding that independent repairers across many industries often cannot access critical information required to perform services or repairs, or that information is not made available by manufacturers at a reasonable cost. It is this lack of access to service and repair information on fair and reasonable commercial terms that has resulted in an uneven playing field within many parts of the repair industry.

As it stands the SBDC believes that the repair industry, without regulatory guidance, will continue to operate in a way that is detrimental to both consumers and small businesses. Further the SBDC encourages the Productivity Commission to consider the Treasury's proposed mandatory scheme for motor vehicle service and repair information sharing, and how this may be applicable for the entire repair industry.

Another aspect to consider is the impact that any reforms will have on small businesses as suppliers (not manufacturers) of goods. There is a supplier indemnification provision within the ACL that places the onus of the repair on the manufacturer, however there are issues with this provision from a small business supplier point of view.

Over the years, the SBDC has received numerous calls from small business suppliers seeking assistance in enforcing their rights under the ACL against a manufacturer. These small businesses are aware of the provision and how it theoretically protects their rights, however they have reported that in reality it is hard to enforce and in some cases, ineffective.

There are also gaps in the protections offered by this provision, which the SBDC has been advocating to close. Specifically, the inability for small business suppliers to claim incidental costs against a manufacturer who has provided a client (via the small business supplier) with a faulty product. These incidental costs include labour and materials necessary to remove and replace a faulty product.

The SBDC has provided submissions to numerous reviews of the ACL regarding this provision. These submissions contain anecdotal evidence and case studies regarding the ineffectiveness of the indemnification provision at protecting small business suppliers.

At this point the SBDC believes it is too early to indicate the extent of the regulatory intervention that is required but we are hopeful that submissions to this Issues Paper will provide that guidance. Given the complex nature of this issue and the many industries that will be affected we support a national approach to avoid or minimise cross-jurisdictional issues that may occur. The SBDC will continue to follow this inquiry and awaits the release of the draft report later this year.

If you would like to discuss this submission in more detail, please contact Nikki Wilson,
Senior Policy and Advocacy Officer

Yours sincerely

Jacky Finlayson
A/SMALL BUSINESS COMMISSIONER

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