

# Agricultural machinery - Pre-purchase checklist

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# Looking to buy agricultural machinery?

Here are some important questions you should ask yourself prior to purchase.

## Have you tried to negotiate the best deal for you?

Consider trying to negotiate terms with your dealer or manufacturer to get the best possible deal.

Elements that you may be able to negotiate on include price, financing, inclusion of technology, delivery, and access to servicing and repairs.

## Is the manufacturer's warranty suitable for your situation?

Ask the manufacturer or dealer for a copy of the manufacturer's warranty, so you know what will happen if there is a fault. You should ask questions if any part of the warranty document does not make sense.

It is important to remember that a manufacturer's warranty does not cover everything. It may be limited by time and subject to conditions.

See overside for further information.

## Is data from your current machine transferable across brands?

Many agricultural machines now come with data collection capabilities, capturing both 'machinery data' such as running time and engine oil levels, and

'production data' which can be used to track things such as crop yield.

If you want to transfer existing data to a new machine, ask the dealer or manufacturer whether your data is transferable from their products to another brand's products.

Understand that manufacturers may collect data from your machine. If you are concerned about privacy, ask them what data they collect, and ask for a copy of their privacy policy.

#### Where can you get repairs done?

If you want to use a local, independent repairer, you will need to check with them if they would be able to conduct repairs and access spare parts.

You also need to consider whether using a thirdparty repairer, or conducting the repairs yourself, will impact your warranty. If you are unsure, ask the dealer or manufacturer.

## Have you compared machinery from other manufacturers?

Shop around with different manufacturers and dealers and get comparable quotes. This can ensure you purchase machinery that does what you require it to do, for the right price.

#### Warranties and consumer guarantees

#### What is a warranty?

A warranty is a contractual promise offered by the dealer or manufacturer who sells the machinery to you.

A warranty against defects, also called a manufacturer's warranty, is a promise from the dealer or manufacturer that if the machine (or part of it) is defective, the dealer or manufacturer will repair or replace the machine (or part of it), and/or provide compensation to you.

#### How long do warranties last?

The length of a warranty varies depending on the manufacturer and product. These periods are usually expressed by a set number of months or hours usage, whichever comes first (for example, 12 months or 1,000 hours of use).

Some dealers may offer to sell you an extended warranty, to lengthen the period of time under warranty. Extended warranties are optional, but may provide extra protection for you.

#### Warranty limitations

Warranties do not cover everything.

It is important to understand the scope and limitations associated with your warranty prior to purchase.

Common warranty limitations include:

- depreciation caused by normal wear and tear, and sometimes even faults caused to particular parts by normal wear and tear
- maintenance and service items, such as lubricants and filters
- problems caused by certain types of alterations or modifications, such as performance tuning or 'chipping'
- problems caused by repairs carried out other than by authorised dealers, or by use of non-OEM parts.

Ask the dealer or manufacturer for a copy of the warranty before you make any purchase.

#### What are consumer guarantees?

Consumer guarantees legislated under the Australian Consumer Law:

- are guarantees that you may be able to rely on if something isn't right with your machine
- automatically apply to machines that cost less than \$100,000<sup>1</sup>
- only apply to machines over \$100,000, if it is of a kind ordinarily used for personal, domestic or household use or consumption.

Consumer guarantees generally will not apply to purchases of agricultural machinery because of these limitations, so you will generally have to rely on the warranty if there is a fault with your machine.

You can read more about the consumer guarantees at <a href="http://www.accc.gov.au/consumers/consumer-rights-guarantees/consumer-guarantees">http://www.accc.gov.au/consumers/consumer-rights-guarantees/consumer-guarantees</a>.

# What to do if you have an issue with your machine?

- Start by contacting your dealer or manufacturer to discuss how they can help you.
- If you are unable to come to an agreement, follow up in writing, outlining your issue, what you've done to resolve it, and the outcome you are seeking from the dealer or manufacturer.
- Visit <a href="http://www.accc.gov.au/consumers/complaints-problems/write-a-complaint-letter">http://www.accc.gov.au/consumers/complaints-problems/write-a-complaint-letter</a> for tips on writing a complaint letter.
- Small businesses, including farmers, can seek assistance from the <u>Australian Small Business</u> and <u>Family Enterprise Ombudsman</u> to resolve disputes. They can provide access to dispute resolution services for those who are involved in a disagreement.
- Consumers can seek help from state or territory consumer protection agencies. Visit <a href="http://www.accc.gov.au/contact-us/other-helpful-agencies/consumer-protection-agencies">http://www.accc.gov.au/contact-us/other-helpful-agencies/consumer-protection-agencies</a> for further information.

Read more about your rights when purchasing Agriculture machinery here:

 https://www.accc.gov.au/focus-areas/marketstudies/agricultural-machinery-market-study/ purchaser-guidance.

<sup>1</sup> This threshold only applies to purchases made after 1 July 2021. For any purchase made prior to this date, the threshold is \$40,000.