



KENWAY AND CLARK
Moree

TO:
Sarah Chubb

COMPANY:
ACCC

FROM:
Peter Burey

DATE:
MONDAY, 21 MAY 2007

Sarah,

The following comments are in response to the request for information in your letter dated the 8th of May 2007.

- 1) With the high cost of new tractors, there is a desire by the consumer that the quality of the purchase is supported by the Manufacturer for a period of time. My understanding of a standard Manufacturers warranty is to cover faulty workmanship and parts, both will potentially cause a loss of income and time to the consumer. A standard warranty is provided to give 'peace of mind' to the consumer.
 - 2) Yes. As a means of being able to keep consistency in the performance of the Manufactures product. The parts and lubricants offered by the Manufacturer are made to the Manufactures specifications to help ensure consistency. It is also not unusual for Manufactures to offer a parts warranty on replacement parts to help ensure that the correct parts are fitted to the Manufactures product.
 - 3) Yes. As with the standard warranty, consistency in performance is governed by the Manufacturer's ability to provide parts and lubricants that match the characteristics of the machines the Manufacture sells. If a substandard part or lubricant (which do not meet the criteria for the machine) was used resulting in a failure, it is unreasonable to hold the Manufacturer at fault.
 - 4) Yes. As a means of ensuring consistent supply and a full support of the end users product. As a Dealer network is responsible for the repair of a failed unit, it will be in the best interest of the consumer to have this full service available, underpinned by consistent supply of the latest version of parts and lubricants.
 - 5) This is determined by the location and the market that a Dealer/Retailer sells into. Smaller horse power Dealers/Retailers (<100Hp) may be able to stock more of the wholegood product (tractors, Mowers, ect.) and less in parts product as the application of the machines sold is not as demanding on the machine and as a result the consumer has less breakdowns. As opposed to say the larger horse power units (>100Hp) in which case the Dealer will be required by the market to offer a supply of parts, lubricants and service expertise to ensure that the consumer has the backup that they need. In which case the Dealer would be more likely to have less numbers (if any extra) of different wholegood products from different Manufactures.
-

- 6) There is an extensive after market for non genuine spare parts and lubricants that offer a nearest equivalent, however this does not always meet the full criteria of the manufacturer. Majority of the parts/lubricants are targeted to higher volume items which are likely to be replaced more readily over the life of the product and most of these items only become available after the products warranty periods have expired.

- 7) Yes. It is in the best interest of the customer that the unit be serviced by fully trained technicians on the specific product. Both Manufactures and Dealers tend to spend a substantial amount of money on ensuring that the consumer has the best service available. It is possible that a repair by an untrained technician will take longer and not be a comprehensive repair due to the lack of training.

- 8) As far as a choice by consumers as to which Dealer/Repairer they get to service/maintain their product, it has been their choice to get their product serviced outside a particular Dealer network, however for the reasons stated above it will be in the best interest of the consumer to have their machine serviced by a qualified technician, on the specific machine they are using, during the warranty periods. To go outside this arrangement would create a 'chicken or egg' scenario for an ongoing concern – that is the manufacturer believing that qualified technicians could have effected repairs without recourse – an alternative repairer believing the repairs they effected were right but ongoing issues with the design and manufacture have caused additional failures.

If you require additional information from me, please contact me on 02 67522377.

Yours truly,

Peter Burey
General Manager