

18 November 2014

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE  
GPO BOX 769 MELBOURNE VIC 3001 AUSTRALIA  
DX 204 MELBOURNE www.minterellison.com  
T +61 3 8608 2000 F +61 3 8608 1000

**BY EMAIL: richard.chadwick@accg.gov.au**  
**COMMERCIAL-IN-CONFIDENCE**

Dr Richard Chadwick  
General Manager - Adjudication Branch  
Australian Competition & Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

Dear Dr Chadwick

## **Tooltechnic application for authorisation – Reporting of complaints**

We refer to our submission on the draft determination of the Australian Competition and Consumer Commission in respect of the application lodged by our client, Tooltechnic Systems (Aust) Pty Ltd (**Tooltechnic**) for authorisation (A91433) dated 6 November 2014.

We also refer to the telephone conversation between Hien Le of the Commission and Noelia Boscana of our offices on 13 November 2014.

## **Background**

The proposed condition 1(b)(ix) of the Commission's draft determination requires Tooltechnic to provide details of any complaints received from customers or dealers in relation to Festool products.

We submitted that in order to reduce the compliance costs that the condition should be amended to refer to '*complaints received from customers or dealers in relation to the pricing of Festool products or services provided pre or post the sale of Festool products*'.

On 13 November 2014, the Commission requested further information from our client to better understand the scope of complaints received by Tooltechnic and the extent of the administrative burden that the reporting requirement would cause Tooltechnic. We have set out our client's responses to those questions in this letter.

## **Responses to the Commission's questions**

### **1. What is the general nature of complaints received by Tooltechnic?**

1.1 There are two general categories of complaints received by Tooltechnic in relation to Festool products, those made by dealers and those made by customers.

1.2 Complaints made by dealers relate to matters such as:

[REDACTED]

[REDACTED]

[REDACTED]

1.3 Complaints made by customers relate to matters such as:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.4 Some complaints are made verbally to staff members and can be resolved at that time. Such complaints do not require any follow up action, while other complaints are made by via email, website, telephone or letter and may require further action to be taken.

**2. How many complaints does Tooltechnic receive per year?**

2.1 Tooltechnic receives between [REDACTED] written complaints per week regarding Festool products. If [REDACTED] complaints per week is the average number of complaints, that totals to an average of [REDACTED] written complaints in one year.

2.2 [REDACTED] Our client expects that it would receive more verbal complaints than written complaints as this requires less effort on the part of the customer or dealer, and due to the fact that our sales representatives engage with customers and dealers mainly by telephone and face-to-face interactions. Tooltechnic would estimate total complaints in one year to be around [REDACTED] per year.

**3. What system does Tooltechnic currently have in place to record complaints?**

[REDACTED]

[REDACTED]

[REDACTED]

#### 4. Tooltechnic's submission regarding complaints reporting

- 4.1 If Tooltechnic was required to report on every complaint received including verbal complaints and those that are resolved at the time of the complaint, it would create an unnecessary administrative burden on our client. Tooltechnic appreciates the importance of reporting to the Commission on complaints relating to pricing of Festool products and services provided by dealers as these matters are pertinent in demonstrating the impact of resale price maintenance.
- 4.2 If Tooltechnic is required to report on all complaints, however trivial, it would be time-consuming for our sales representatives and staff at Tooltechnic to electronically capture the details of each complaint (roughly, [REDACTED] per year). Such a comprehensive complaints report would have limited value to the Commission compared to a more tailored report that records complaints of relevance to resale price maintenance.
- 4.3 Tooltechnic is proposing to record the details of any complaints received from customers or dealers, to the extent required by the Commission [REDACTED].

If you have any queries or would like to discuss our submission, please contact Geoff Carter on 03 8608 2090.

Yours faithfully

**MINTER ELLISON**



**Geoff Carter**  
**Partner**

Partner responsible: Geoff Carter Direct phone: +61 3 8608 2090 Direct fax: +61 3 8608 1096  
Email: geoff.carter@minterellison.com  
Our reference: NZB GRC 1069586 Your reference: 54966