

From: [REDACTED]
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It is our belief, that in short – the loser of this agreement is the Australian consumer. No longer will customers they be paying a price determined by a competitive market place. With Australia's very competitive power tool market, customers have been able to access some of the best value (low price, high quality product) in all of the mature markets around the world. As the market has become more and more competitive, there has been price erosion, but very few power tool businesses have gone out of business. Rather, by operating in an increasingly competitive market, the power tool brands have been forced to reconsider their business models to minimise wastage and ensure that they're pursuing best business practices. And Australian customers have responded in kind, becoming one of the fastest adopters of new tool technologies, such as cordless battery technology, in the world.

By allowing a brand to embark on this seems counterproductive to competition and ultimately the fear would be that the biggest 'loser' in this situation would be the customers who are forced to pay a price that is determined by a brand, rather than the market.

Also with power tool customers, once a user has several cordless batteries and chargers of a particular brand (on a battery platform/system), the cost to then abandon that particular brand for another is quite high, given the high costs of said batteries and chargers. Customers who have purchased a product under this brand, and are 'on the platform' previously are now quite disadvantaged as the costs of their future purchases won't be determined by the competitive market but rather the price that is arbitrarily set by the brand.

Regarding the brand's position and challenges around retail dealers not supplying the required service levels to customers as they are unlikely to receive sufficient return – this is a similar challenge faced by all premium trade brands in the market and they have all solved them in other ways that haven't resulted in customer's simply paying higher prices.

[REDACTED]
A supplier of power tools in Australia
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