

**SUBMISSION IN RESPONSE TO THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION (“ACCC”) DISCUSSION PAPER DATED 28 FEBRUARY 2020 (“DISCUSSION PAPER”) BY CNH INDUSTRIAL AUSTRALIA PTY LTD (trading as CASE IH, New Holland Agriculture, Flexi-Coil, Horwood Bagshaw and Paxton Plow) (“CNHI”).**

**EXECUTIVE SUMMARY**

- **There are fundamental differences between the farm machinery industry and the automotive industry.**
- **Dealers franchised or authorised by original equipment manufacturers (“OEMs”) are the lifeblood of regional Australia and the main source of technicians through apprenticeships.**
- **Farm machinery purchasers are ordinarily highly sophisticated business people making purchase decisions for income producing reasons.**
- **Data collected relating to their farm machinery and their business belongs to the machinery owner. However, the need to keep the machine operating at all times must be balanced against the need to ensure safety and anti-tampering controls.**

**A. DIFFERENCES BETWEEN THE AGRICULTURAL MACHINERY INDUSTRY AND THE AUTOMOTIVE INDUSTRY.**

CNHI is aware of the work conducted by the ACCC over many years relating to the choice of repairer and data sharing in the automotive industry culminating in:

- ACCC publications to consumers in relation to their rights in respect of choice of repairer in respect of motor vehicles; and
- the government announcement on 29 October 2019 that they will introduce a mandatory data sharing law to provide independent repairers the same service data as franchised dealers, on fair and reasonable terms.

Many of the arguments raised during that debate will be applicable to the agricultural industry and there is little merit in revisiting them in this submission.

CNHI submits however, that there are some fundamental differences between the agricultural machinery industry and the automotive industry, which should be considered as part of the ACCC review.

***Complexity of agricultural equipment compared to motor vehicles:*** Motor vehicles tend to be mass produced and have limited options or specifications at point of sale (e.g. some cosmetics like colour and interiors, automatic or manual gear, fuel type). Farm machinery can be highly bespoke depending on application and operator preference. An example of each of a New Holland and Case IH standard tractor with available specification options is contained in Exhibit A (page 15-16).

Consequently, a greater breadth and depth of expertise is required to correctly sell, service and repair farm machinery, than for motor vehicles. To offer the best aftermarket service, a technician needs to have an in-depth knowledge of the:

- complex componentry of the individual machine;
- the advanced software relating to that machine's operation and telematics;
- the farming operations and applications into which that machine may be applied and the inter-relationship between the machinery and the implements being connected to it for efficient operation.

The complexity of the product requires the modern agricultural technician to have a level of expertise which can only be attained through years of professional guidance and training. Australian agricultural dealerships are the incubators of this new breed of tech savvy technicians, often brought into the fold as apprentices, trained via professional business, backed by global OEM practices and locally integrated into the Australian TAFE system to obtain a nationally recognised accreditation.

CNHI is simultaneously continually improving the technology to meet customer demands and investing heavily in the technical expertise to support these emerging technologies, once they are put to use in the field. See Exhibit B (page 17-18) for detailed information in relation to the CNHI training programmes for service technicians in its networks.

***More at stake for a farm machinery purchaser:*** Farm machinery comes with a considerably higher price tag than motor vehicles (can be over \$800,000) and, unlike in the automotive industry, farm machinery is invariably purchased to be income producing. There is therefore more at stake for a farm machinery owner when it comes to servicing.

Because it is their livelihood, a farmer needs to ensure the machinery consistently performs efficiently and reliably. As a result, the relationship between customers and dealers in the farm machinery industry is necessarily more intense than in the automotive industry, incorporating many of the qualities of a professional business partnership. OEM dealers who are dedicated to the sale and service of a particular brand of products are usually required by the OEM to invest in acquiring the facilities, and depth of knowledge and expertise with respect to a particular product line up, that can be leveraged to offer customers the best means to manage their fleet and productivity.

Cost of ownership is crucial to a farmer. This is not only a factor of the price paid and the cost of servicing against the revenues achieved from operating it, but also the trade-in-value of a machine when it comes to replacement. Unsurprisingly, a dealer who knows the history of a tractor and has managed the services and repairs in its' own workshop is going to have more confidence in valuing the trade-in than if it has not.

***Independent retailers in the motor industry are more likely to be a franchisee of all-makes parts suppliers or members of the AAAA:*** In the motor vehicle industry many of the independents are only independent of the vehicle OEMs, but are still franchised operators through one of the “all makes” parts suppliers like Midas, Ultra Tune and mycar (formerly K-Mart Tyre and Auto). Although an “all-makes” franchisee may not have any vested interest in the performance of a particular brand of vehicle in the way an OEM dealer has, the franchising model does provide some obvious benefits to customers, including:

- franchisees being required by the franchisor to meet a minimum level of professionalism, skills and investment in their business; and
- access to franchisor support in terms of parts and technical training.

CNHI has carried out a high-level analysis of independent retailers in the agricultural industry (see Exhibit C page 19-21). Most retailers identified were not tied to an OEM franchise, any non-OEM franchise or professional body.

Whilst the independent repairer for farm machinery will of course be committed to customer satisfaction to a greater or lesser degree, it is not subjected to the contractual oversight, or provided the support of, a larger body (OEM franchisor or otherwise).

## **B. OEM DEALERS ARE THE LIFEBLOOD OF RURAL COMMUNITIES**

Many of CNHI's authorised dealers have had a long tenure with CNHI as well as in their communities. These dealerships are often one of the biggest employers in regional townships, and many other businesses in the town are dependent on them for their own viability, including their farmer customer base. CNHI has, from time to time, witnessed the impact of the closure of a dealership on a township, with some distress.

Dealerships make huge investments in facilities, inventory, employees, tooling and training, to the benefit of not only the customer but the whole community. Due to the remote and regional characteristics of our industry, it is typically only authorised OEM dealerships who have the structural and financial capacity to supervise and take on apprentices.

It is these OEM dealerships who are the primary source of trained technicians within the industry. Some apprentices, once they have completed their training will leave the more regimented environment of the dealership to become independents. Without Australian agricultural dealerships actively supporting the OEM programmes for apprentices, it is questionable how many apprentices would be working in regional Australia.

Independent retailers often do not need to make the same level of investment as CNHI dealers do in facilities or carrying inventory, tooling or training apprentices. They also take the opportunity to choose what service and repair work they will undertake and can limit themselves to selecting only lucrative and less complex work. This means that they can often provide customers a cost-effective alternative to the OEM dealers which is obviously desirable.

Against this, the CNHI dealerships whose investments are so important to the communities in which they operate, will need to make a return on that investment, to ensure their own long-term viability as well as that of the community to which they belong. There is therefore a balance to be achieved between healthy competition and viable rural communities. Whilst we think the status quo provides that balance, we are obviously open to working with the ACCC to achieve improvement.

## C. ISSUES IDENTIFIED IN ACCC DISCUSSION PAPER

### 1. *“access to independent agricultural machinery repairs is limited”*

#### ACCC Observations

- *Some manufacturers impose limitations in their warranty that require service to be carried out by authorised dealers only*
- *May affect farmers in remote locations unduly, if limited number of authorised dealers and none close by*
- *Monopoly allows higher pricing and gouging*

#### CNHI Response

CNHI makes a distinction between:

- service and repairs not under warranty, but during the warranty period (for which the customer pays) (“Type 1”);
- service and repairs under warranty (for which CNHI pays) (“Type 2”); and
- service and repairs after the warranty has expired (for which the customer pays) (“Type 3”).

CNHI prefers service and repairs (regardless of Type) being carried out by its authorised dealers, not only during the warranty period, but also throughout the lifetime of the machine. CNHI undeniably has a vested interest in ensuring the safe and optimal performance of the machinery it sells. Aside from complying with the contractual liability with respect to the warranty, our ongoing commitment to the products we sell is an important means by which we maintain customer satisfaction. The quality of the aftermarket service a customer receives is the touchstone for customer satisfaction. The only sure way of meeting that end is for aftermarket service and repairs to be carried out by our authorised dealers who are highly trained, dedicated to our products and monitored by us.

***Cost Effectiveness and Monitoring of Service and Repair:*** The most cost-effective means to ultimately serve the customer is for Type 1 and Type 2 services and repairs to be carried out by an authorised dealer using CNHI genuine parts. In the case of Type 2 services, we consider it reasonable that CNHI should be able to avail itself of the most cost-effective route because CNHI is paying for that servicing and repair. The savings achieved enables us to make a direct and real investment in our products and people.

Having an authorised dealer being responsible for all repairs and service (Type 1 and Type 2) performed during the warranty period lessens the prospect of a customer becoming embroiled in a dispute about whether a fault arose from poor work performed by a third party, which may result in the warranty being voided.

CNHI has developed systems and processes to ensure Type 2 service work is carried out promptly and dealers are paid for that work without delay. Having such systems and processes in place encourages dealers to undertake warranty work as a priority and with due care. There are also checks and balances in place with monitoring and auditing of authorised dealers for compliance with the warranty process and professional standards. As the monitoring of independent dealers can occur only on ad hoc and manual basis, it would be less efficient, more time consuming and, therefore, costly. Ultimately, this additional cost would have an adverse impact on the total cost of ownership to the customer.

An independent retailer may be able to provide some Type 1 and Type 3 services and repairs cost effectively, but these independents are not subject to the same systematic monitoring and level of engagement with CNHI as authorised dealers. This engagement relates also to authorised dealers being aware of upgrades and improvements which may not be the subject of a recall or formal campaign, but which nonetheless can benefit a customer when they bring their tractor into the workshop.

***Dealer Quality Programme (DQP):*** In recognition of the critical role its dealers play in meeting customer demand, CNHI has developed the DQP with the aim of fostering a culture within dealerships of constant improvement. The DQP carries out an annual detailed assessment of the dealership's facilities, tooling, systems, processes and people in each location. The key objectives of the DQP assessment are to:

- ensure a solid foundation for business sustainability and growth for each dealer;
- achieve best-practice to deliver first class service at minimum cost; and
- encourage a focus on customer experience.

CNHI has also implemented a dealer tool by which a customer can connect to their preferred dealership via an app on their hand-held device to lodge an

inquiry for support, service or advice. Everything is captured from the moment the customer reaches out for assistance, at no cost to the customer.

The dealership can track the time spent servicing the customer's needs. That data when collated provides critical information to CNHI and the dealership of standard repair times and provides a snapshot of typical customer concerns. The use of this technology removes the risk of disputes around the time spent and the work which was performed. The dealership can engage the customer in a professional and traceable way, enabling positive communication and effective resolution in a timely manner.

**Remote Servicing:** CNHI has developed a purpose-built support platform whereby customers can request a "remote session" from their preferred dealer. Using existing cellular technology, the user can quickly access expert knowledge and share in-cab experiences with the dealership's technical support team. There are two tools available to facilitate this:

- a) Remote Display Viewing (**RDV**) - allows the operator to connect their in-cab display to the dealership's remote support team. Once connected, the dealership can coach, advise and troubleshoot in real-time as they can see exactly what the operator is seeing. Both the customer and the dealer can access the RDV service upon a request being sent from the operator using the in-cab display. This facilitates the coaching of less skilled operators by on farm experts. It also enables owner monitoring while paid labour is operating the equipment while leveraging the CNHI expert knowledge vested in the dealership. Ultimately, it provides critical information to get the best out of the machine.
- b) The Remote Diagnostic (**RD**) tool - enables the dealer to securely access the machine in the same way as the RDV via a request from the operator on the in-cab display. The RD is password protected to ensure no unconsented access is given to the machine. The dealer can provide the optimal service demanded by the customer, reduce machine downtime through remote diagnostics, potentially resolve the concern and/or identify a course of action to get the machine back into work e.g. remote diagnostics may identify a component that has failed, the dealer can then make sure this component is brought to the site the first time and resolve the issue, resulting in increased up-time and therefore greater satisfaction from the customer.

***Locations and Availability of Authorised Dealers Compared to Independents:*** CNHI has the largest network of dealers located throughout Australia with the greatest number of standalone outlets for each of its brands. Exhibit C (page 19-21) provides information relating to the locations of New Holland and Case IH dealer outlets by reference to the locations of farming operations in Australia.

In most cases, the independent retailers are located in the same townships as the authorised dealers. The sample of territories analysed by CNHI in Table B, in Exhibit C (page 19-21) would suggest that they are no more or less accessible to customers in remote areas. CNHI authorised dealers are prepared to not only work all hours to provide parts and service to customers, but also travel wherever required.

***Pricing:*** Exhibit C (page 19-21) shows the number of competitors in the markets sampled. CNHI allows dealers to set their own retail prices on parts and servicing. As the industry is small and the participants in each market well known to the customers, service and repair work is priced very competitively. Pricing will differ from location to location depending on many market factors making the likelihood of gouging or monopoly pricing is low. In each location, the cost is usually comparable between independents and authorised dealers.

In summary, whilst the independent repairer will of course be committed to customer satisfaction to a greater or lesser degree, we believe it is the rigor in our systems, effectiveness of our technology, investment in and commitment to technical training from CNHI and our dealer network, together with the commitment of our dealers to the performance of our machinery, that provides the greatest level of assurance for uptime, reliability and responsiveness to our end user customers.

## ***2. “farmers may lack recourse in the event of a problem with their machinery”***

### ACCC Observations

- *Because farm machinery usually costs more than \$40,000 and is not for personal or domestic use, the ACL affords them no protection.*
- *Farmers aren’t fully aware of the manufacturer’s warranty limitations, due to lack of point of sale information*
- *Manufacturers’ warranty is limited*



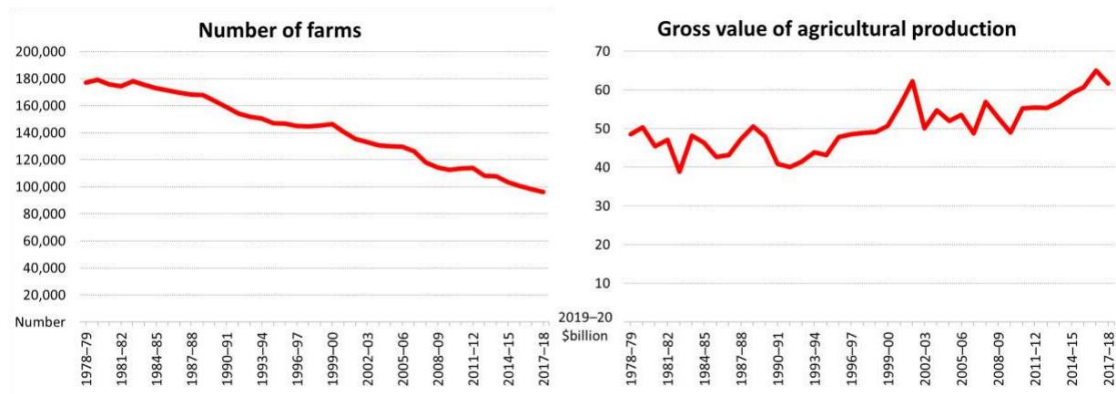
## CNHI Response

The fundamental issue to be addressed here is whether farmers should have the benefit of the protections under the Australian consumer law. The question implies 1. that the farmer is not sophisticated enough to understand the terms of the contractual warranty provided by the manufacturer; and 2. even though they are spending hundreds of thousands of dollars for purely business purposes, they should be treated the same way as an individual who purchases goods of less than \$40,000 or for personal use.

***Sophistication of the farmer:*** Our experience shows farmers to be sophisticated business people who are more than capable of managing complex agronomic systems and developing advanced marketing strategies. The typical borrower profile of the farmers who take retail financing with CNH Industrial Capital Australia Pty Ltd discloses a business ownership structure with a high level of intricacy - many being operated through family and unit trusts and limited liability corporations. Moreover, an analysis of the agricultural industry reveals that over the last ten years there has been a paradigm shift in the profile of farm owners and operators from what was the traditional family owned farm.

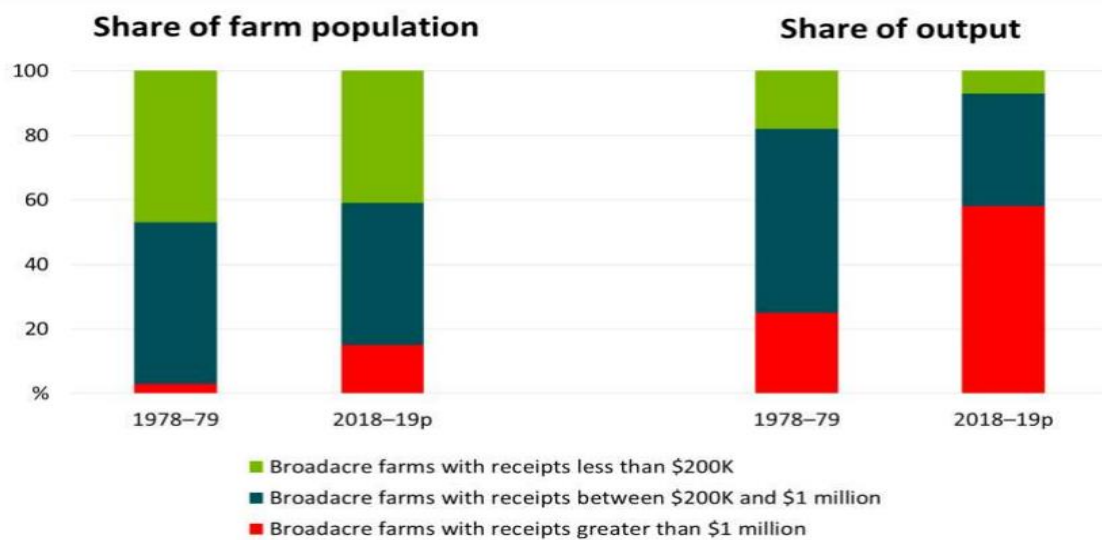
***Broadacre customers:*** Corporate involvement in broadacre farming is growing. That said, defining a corporate is difficult. Large family farms exhibit similar behaviours to “corporates” in that there is a clear trend in the management of farms moving to centralised operations where possible. For an example of a corporate grain growing entity see Lawson Grains: <https://www.lawsongrains.com/>

The Australian Bureau of Agricultural and Resource Economics and Sciences (**ABARES**) has revealed that the expanded scale of farming operations accounts for two-thirds of the increase in average farm income from 1990-2018 (excluding changes in commodity prices). Further, 19% of broadacre farmers are willing to acquire more land consistent with the market ambition of growing further scale through inorganic strategies according to the Commonwealth Bank (2018). Tables A and B below show the consolidation in farms as at 2018 (reduction in number of total farms in operation; against increased production). The largest 10% of broadacre farms produced 48% of total output, while the smallest 50% of farms produced 11% of total output.



Source: ABS 2018, *Agricultural Commodities, Australia, 2017-18*

**Table A**



Note: **p** preliminary

Source: ABARES Australian Agricultural and Grazing Industries Survey

**Table B**

In the financial year 2018/19 agriculture was a \$58bn industry. At the most recent ABARES Conference (March 2020) the National Farmers’ Federation announced its goal to increase this to \$100bn AUD by 2030. One of the five key steps to achieve this goal, it was acknowledged, is to “*establish modern data and knowledgeable systems*”. To do this, farmers need to continue to increase scale to drive profitability to allow investment in such areas.

**Horticultural customer:** The horticulture Industry is highly developed and corporatised. An example is Costa Group Holdings Limited, a locally owned, public company, deriving revenue from the growing, packing, marketing and distribution of fruits and vegetables. The company operates in Australia, China, Hong Kong, Spain and Morocco, employs around 6,000 people, and is administered from its head office in Ravenhall, Victoria. The company is listed on the ASX under the code CGC and reported over \$1billion in revenue. The citrus fruit and nut industries are dominated by a range of corporations, including Olam Orchards, Select Harvests and Costa Group.

Grape Growing in Australia is another key segment. As wine grapes make up an estimated 60.3% of industry revenue, the industry is highly dependent on the downstream wine production industry. Corporate operators such as Treasury Wine Estates, Pernod Ricard Australia, Casella Family Brands and Accolade Wines run extensive farm machinery fleets of tractors and grape harvesters. Specialised machines have been developed for harvesting wine grapes for the viticulture industry. These machines are predominately used by contractors who will harvest from January (Hunter Valley) through to early May (Southern Australia).

**Fleet management customers:** Fleet management is another corporate segment in respect of farm machinery purchasers. Major players include LeasePlan, sgfleet, Fleet Partners and Custom Fleet. These companies purchase huge numbers of farm machinery and provide maintained operating leases alongside their leasing arrangements for cars, trucks and utility vehicles.

In summary, most agricultural machinery customers across multiple industry sectors are sophisticated, corporate businesses with complex procurement and finance structures. These complex machines are being used to support billion-dollar industries. Suffice to say, farmers, in the majority, (and those likely to survive into the future) are savvy business people who spend significant time researching their purchase; which necessarily entails scrutiny of the warranty. It is also our experience that they are very well equipped to negotiate the best deal for themselves.

**Plain English Document:** CNHI has previously provided the ACCC a copy of the warranty document received by the customer on purchase (Oct 2018). CNHI remains of the view this document is written in plain English and clearly communicates how it applies, what is covered, and what is not.

***Limitation of liability by way of contractual warranty:*** CNHI avails itself of the legal right to limit its liability by way of contractual warranty to cover defects in design or assembly. It covers the period which CNHI believes is consistent with how long it would take for most defects in design or assembly to become apparent. The limitations of the CNHI warranty strike a fair and reasonable balance between ensuring the price point affordability of the machine and having a resource pool to maintain its reliability and performance. CNHI also has a process and policy available to its employees to review and, if appropriate approve a service or repair to be carried out at CNHI cost, by a dealer by way of “goodwill” after the warranty has expired.

### ***3. “agreements between manufacturers and dealers may limit access to repairs”***

#### ACCC Observations

- *Dealership agreements may contain terms that unduly place the risks of providing repairs on local dealers, incentivising dealers to reject warranty claims or to limit the service they offer to agricultural machinery purchasers.*
- *Terms in some dealership agreements may prevent dealers competing to provide repair services outside a certain geographic area.*
- *The ACCC has heard mixed information about whether dealerships refuse to deal with customers who are located out of the area or refuse to provide warranty support if they purchased machinery from another dealer.*

#### CNHI Response

The ACCC has previously been provided with a copy of the CNHI standard dealer agreement and related documents which should speak for themselves. Accordingly, we don’t feel the need to add any commentary except to say that we:

- are not aware of dealers rejecting warranty claims which were legitimate claims;
- encourage dealers to provide aftersales service to all customers regardless of where they purchased a product;
- discourage dealers from refusing to deal with customers;
- measure a dealer’s performance in providing service support to customers.

#### 4. “data ownership and management may raise privacy and competition issues.”

##### ACCC Observations

- *Agricultural machinery is becoming increasingly complex in its use of computer systems and data, and most modern machinery now has extensive data collection capabilities. One of the consequences of this is uncertainty in the market around data ownership and control, and rights to data in certain circumstances.*
- *The lack of any clear rights to data may create a barrier to prospective purchasers considering different brands of machinery, because the more data a producer accumulates with a particular brand, the greater the potential cost to change to a different manufacturer in the future. This is in addition to issues regarding interoperability of machinery.*

##### CNHI Response

**Data Ownership:** CNHI has a very clear position with respect to agronomic data collected by our products: the customer is the owner of their agronomic data. The customer is free to choose how they use their agronomic data and by what means. CNHI has provided for many years a free viewing platform by which a customer can examine their agronomic data. CNHI also offers data manipulation software to modify, create or even export data into other formats commonly used by competitors.

CNHI is a proud member of the Open Ag Data Alliance (**OADA**) which strives for the collaboration of OEM’s to enable customers to decide on the best machine for them based on efficiency in the field rather than the choice being dictated by what format their data is captured in. CNHI is leading the charge in ensuring farmers are not locked into a particular tractor manufacturer. CNHI sits on the board of the Agricultural Electronics Foundation (**AEF**) which has been instrumental in the development of *ISOBUS* technology. This is an open data source for connecting and controlling implements from many different manufacturers via a common interface. *ISOBUS* is now the universal language that allows customers to operate the implements that work best for them.

*ISOBUS* technology gives the customer access to machine performance data, trouble codes, and diagnostic information. The customer can also

clear/silence non-critical codes which, if ignored, do not pose a safety hazard or risk harm to the machine. This means the machine can continue its operations unimpeded by not having to stop in the field or requiring the intervention of a dealer to clear a code. The core driver for CNHI is to keep the customer's operations rolling.

CNHI is aware that supporters of the Right to Repair debate in the US (referred to by the ACCC as a trigger for the Discussion Paper) want access to proprietary diagnostic systems and embedded software. Sadly, CNHI is also aware that some disreputable players in the market have been known to tamper with the manufacturer's settings of farm machinery for improper purposes. For example, "chipping" involves modifying a piece of equipment to increase engine horsepower, which can have implications for the longevity and/or safe operation of the machinery or can result in it no longer being compliant with emissions standards. It is for this reason that CNHI has tried to maintain a balance between open access to the machine systems and data and restricting the ability to override safety or performance features.

## EXHIBIT A



### **APH (All Purpose Heavy) – Basildon T6/ StValentin Maxxum (709 sold in 2019/2020)**

Models – 47

Engines – 4 (4 & 6 Cyl) with 2 different emission control levels

Drivelines – 4 different transmission technologies

Hydraulic systems – 3

**Configurable options - 677**



**CCH (Cash Crop Heavy) – Racine T8/ Magnum (285 sold in 2019/2020)**

Models – 34

Engines – 2 with 2 different emissions control levels

Drivelines – 4 different transmission technologies

Hydraulic systems – 4

**Configurable options – 433**



# EXHIBIT B APPRENTICE TRAINING IN CNH INDUSTRIAL DEALER NETWORKS

## 1. AGGREGATE VOLUME ALL BRANDS

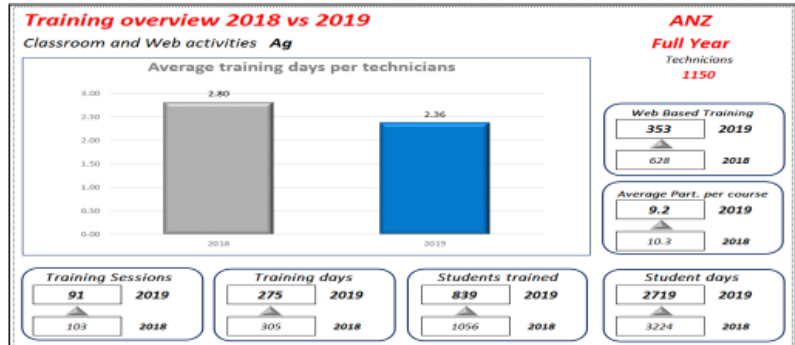
PS&BS – ANZ  
Technical Training Volume – FY2019

### FY2019 – AG Segment

1150 Technicians in Australian Dealer Network

- 91 Training Courses
- 275 Training Days
- 583 Dealer Technicians
- 839 Total Course Registrations

	Technicians	Apprentices	Total Dealer Technicians	2019 Training
New Holland	388	161	549	197
Case IH	402	199	601	386
<b>Total AG</b>	<b>790</b>	<b>360</b>	<b>1150</b>	<b>583</b>



## 2. TYPE OF TRAINING

PS&BS – ANZ  
Technical Training Competency Review

### Level 1 Competency Assessment (Instructor Led - Electrical + Hydraulic + EST)

- New Holland @ 27%
- Case IH @ 45%

### Level 2 - Product Specific Training (Instructor led Product Training)

- **New Holland**
  - T8 x 44 Technicians
  - T9 x 22 Technicians
  - CR Combine x 110 Technicians
- **Case IH**
  - Magnum x 115 Technicians
  - Steiger @ 96 Technicians
  - 50 Series AFX @ 241 Technicians

New Holland				Case IH			
Apprentice	161			Apprentice	199		
Technicians	388			Technicians	402		
<b>Total</b>	<b>549</b>			<b>Total</b>	<b>601</b>		
<b>149 Technicians - Level 1 Competency</b> (Electrical - Hydraulic - EST)				<b>272 Technicians - Level 1 Competency</b> (Electrical - Hydraulic - EST)			
Product Training	T8	T9	CR Combine	Product Training	Magnum	Steiger	50 Series Combine
NH SA	14	2	25	Case IH SA	17	15	41
WA NH	10	11	56	Case IH WA	28	28	54
NH VIC	5	1	10	Case IH VIC	21	11	59
NH QLD	8	3	7	Case IHQLD	12	11	21
NH NSW	7	5	12	Case IH NSW	37	31	66
<b>Total</b>	<b>44</b>	<b>22</b>	<b>110</b>	<b>Total</b>	<b>115</b>	<b>96</b>	<b>241</b>

### 3. TAFE PROGRAMME WITH CNH INDUSTRIAL

PS&BS – ANZ  
NSW TAFE - AUR30412

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#### AUR30412 - Certificate III in Agricultural Mechanical Technology

- Product supplied by CNH Industrial
- Conducted over 6 x 1 week or 3 x 2 week blocks
- Web Academy embedded into the program
- Pre Requisite courses are combined within the delivery
- EST / DATAR utilisation throughout the course

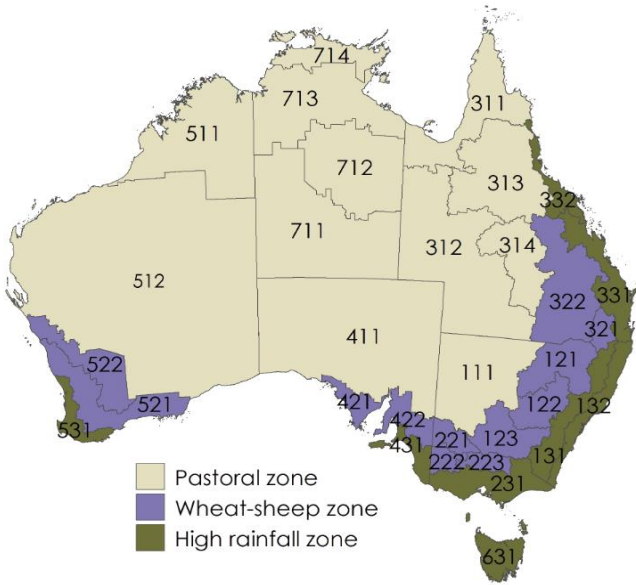


#### National Training Program 130+ Students

- 28 students have recently completed the 3Yr program
- 44 X 1<sup>st</sup> Year enrolments for 2020
- National participation with 10 day program blocks
- Travel subsidy in place to support interstate engagement

## EXHIBIT C

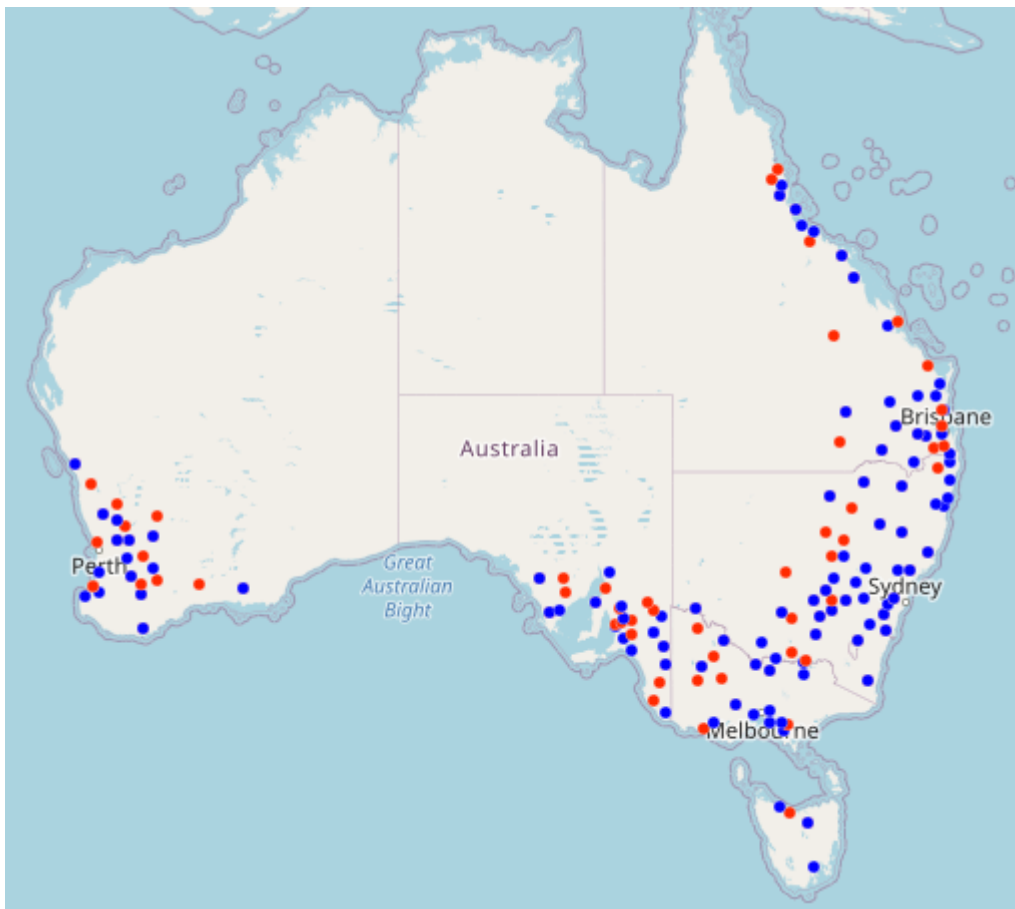
### Australian broadacre zones and regions



<http://apps.agriculture.gov.au/agsurf/regions.html#12>

### CNHI dealer Locations (March 2019):

- 36% of major towns in each zone have at least one or two CNHI dealerships in the town.
- 50% of major towns in each zone have at least one or two CNHI dealerships less than 50km away.
- 66% of major towns in each zone have at least one or two CNHI dealerships less than 100km away.
- 77% of major towns in each zone have at least one or two CNHI dealerships less than 200km away.



Locations of CNHI Industrial dealerships

## **INDEPENDENT SERVICE RETAILERS: SAMPLE ANALYSIS**

CNHI conducted a simple high-level snapshot analysis of selected regional locations from each state. OEM and non-OEM independent service retailers were identified using directory resources (e.g. Online Yellow pages). It was conducted in a method consistent with how a small to mid-size agricultural operation who needs to source goods, services or local information might operate.

### **Locations reviewed**

Column 1 in the Table below (Location) shows the site of one or more CNHI dealerships. Column 3 (non CNHI Repair Outlets) tallies the independent service retailers in the location. The category non CNHI Repair Outlets was further broken down in Columns 4 and 5 (non-aligned to OEM, usually smaller service outlets or Franchised-aligned to an OEM).

The high-level analysis suggests that independent retailers tend to be found in similar locations as OEM dealers, rather than in more remote locations. This would be logical as agricultural communities tend to “cluster” around historic growing points to supply goods and services.

These clusters would be attractive not just because there is a greater likelihood of customer activity, but also independent retailers would choose to set up business in locations where they have access to ancillary services to support their business (hydraulics, tyres, batteries, windscreens, lubricants). In fact, independents look to OEM dealers for the supply of some services and parts.

On the basis that i) they tend to be in the same towns as OEM dealers, and ii) that both independents and OEM dealers provide mobile services by attending the farm, independent retailers do not appear to be more accessible to remote regional customers, than OEM dealers.

**Table: Location of Independent Service Retailers**

Location	State	Non CNHI Repair Outlets	Independent	Franchised
FORBES	NSW	3	2	1
GRIFFITH	NSW	9	5	4
INVERELL	NSW	5	4	1
MAITLAND	NSW	5	3	2
WAGGA WAGGA	NSW	5	3	2
BUNDABERG	QLD	6	3	3
MACKAY	QLD	5	4	1
TOOWOOMBA	QLD	8	6	2
EMERALD	QLD	3	2	1
INNISFAIL	QLD	4	3	1
KADINA	SA	3	2	1
BOOLEROO CENTRE	SA	1	1	0
LOXTON	SA	1	1	0
MENINGIE	SA	0	0	0
MURRAY BRIDGE	SA	2	2	0
LONGFORD	TAS	1	0	1
KINGSTON	TAS	1	0	1
QUOIBA	TAS	6	4	2
SOMERSET	TAS	0	0	0
ECHUCA	VIC	9	6	3
MILDURA	VIC	7	5	2
SHEPPARTON	VIC	8	6	2
SWAN HILL	VIC	8	6	2
WARRACKNABEAL	VIC	3	2	1
ALBANY	WA	5	4	1
ESPERANCE	WA	6	2	4
NORTHAM	WA	3	1	2
BUSSELTON	WA	2	2	0
GERALDTON	WA	10	7	3