

Bulletin

Industry Divisions



Reference No. unfair trading practices/kz-11-23

Date: 28/11/2023

VACC responds to the Federal Government's consultation on banning "unfair trading practices"

Dear Member

The Victorian Automotive Chamber of Commerce (VACC) has responded to the Federal Government's consultation on possible reforms to the Australian Consumer Law (ACL) to address currently *unregulated* unfair trading practices.

VACC attended a roundtable discussion with the Commonwealth Treasury Department and discussed the nature of unfair trading practices in Australia and specifically within the automotive industry.

VACC is cognisant that due to the current definition and limitation on what is a "small business" many of VACC's larger business members may not be afforded the same rights as a small business. A small business is one who employs fewer than 100 persons or has a turnover for the last income year of less than \$10 million. For instance, a franchise car or truck dealership may employ less than 100 people, but have a turnover of more than \$10 million (due to the price point of the goods). The same example may apply to a tyre retailer or other sectors of the automotive retail market.

VACC strongly advocates, among other changes, that any potential unfair trading prohibitions are extended to ALL businesses, not just "small business" within the current definition. This fair change recognises that all businesses can often face the same challenges when it comes to experiences of unfair trading.

What could it mean for businesses?

If new laws are introduced, businesses may face greater obligations to revise compliance practices, train staff, and ensure practices do not contravene broad and flexible provisions. However, clearly articulating acceptable business practices may also provide useful guidance. New penalties may deter unfair conduct and secure redress for harm.

Overall, the proposed options aim to balance the need to address unfair trading practices against burdening businesses with unclear or expansive new obligations.

Treasury will release a **Decision Regulatory Impact Statement** in 2024, upon all consultation submissions being reviewed. VACC together with the Motor Trades Association of Australia will ensure a subsequent submission on the Decision RIS is made.

VACC's submission can be read [here](#).

For further reading and information regarding unfair trading practices please see [VACC's summary document](#).

Kathy Zdravevski LLM(JD)
Industry Policy Advisor