

BULLETIN

All Members



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Final ACL Report: Lemon Laws and Second hand vehicles

Members have been advised via Bulletin AM 09-17 that the Final Report for the Review of Australian Consumer Law (ACL), conducted by Consumer Affairs Australia and New Zealand (CAANZ), has been welcomed by Federal Small Business Minister, Michael McCormack. You can view the final report by [taking this link](#).

Members were provided with information via Bulletin AM 10-17 of automotive retail specific references contained within the Final Report. Members are now provided with other areas identified within the report that have a direct impact upon automotive retail businesses.

Lemon Laws

VACC urges members to refer to pages 29 – 31 of the final report and the consideration given to the introduction of a lemon law specifically for motor vehicles. VACC has been direct in its conversations with the ACCC that the term 'Lemon Law' is highly emotive and one used by media to sensationalise the issues surrounding alleged issues with motor vehicles.

VACC has also been direct with the ACCC in advocating that consumer guarantees as they currently stand already provide a remedy for faulty vehicles. At this stage CAANZ, have not proposed the introduction of a Lemon Law, however it has stated that it will continue to monitor issues relating to the motor vehicle sector to assess the effectiveness of the law.

Action: VACC will continue to lobby the Government in opposition to the introduction of any further layers of law.

Second hand vehicles

VACC has for some period called for an exemption or relief for the way in which second hand vehicles are treated under ACL provisions. CAANZ has stated that the ACL should continue to apply to second hand vehicles.

However, CAANZ has been clear that enhanced guidance on reasonable durability could include further discussion about the nature of second hand goods and relevant factors such as age, price paid and the condition of vehicle should help retailers manage customer expectations at the pre-sale stage.

Action: VACC will assist the Government in the development of industry guidance regarding the treatment of second hand motor vehicles under the ACL

Further information

Further information about the Australian Consumer Law Review is available on the [Consumer Law website](#)

VACC will continue to lobby the Australian Government in pursuit of a better trading environment for members.

Please feel free to call me with any queries.

Michael McKenna

Industry Policy Advisor

Industrial Relations, Policy and Engagement

Level 7 | 464 St Kilda Road | Melbourne Vic 3004

P: 03 9829 1280 | E: mmckenna@vacc.com.au | W: vacc.com.au