

BULLETIN

All Members



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Final ACL Report: Issues specific to retail automotive

Members were advised in Bulletin AM09-17 that the Final report for the Review of Australian Consumer Law (ACL), conducted by Consumer Affairs Australia and New Zealand (CAANZ), was welcomed by Federal Small Business Minister, Michael McCormack. You can view the final report by [taking this link](#).

A summary of issues relating specifically to automotive retail is detailed below.

Issues specific to automotive retail

Unfortunately for the automotive retail sector it appears that the Reviewers focused heavily on issues of consumer detriment involving purchases or servicing of motor vehicles.

Proposal 1 seeks to mandate that where a product fails to meet the consumer guarantees within a short specified period that a consumer is entitled to a full refund or replacement without needing to prove a major failure. In other words a reverse onus of proof will apply.

Action: VACC will seek to gain clarity on what constitutes a short-specified period and seek further guidance on what a major fault is deemed to be.

Proposal 2 seeks to establish that multiple non-major failures can amount to a major failure. This is particularly concerning as the failures need not occur in a similar period, relate to the same issue or result in the same problem.

Action: VACC will seek to gain clarity on what constitutes a short specified period.

Proposal 3 seeks to enhance disclosure in relation to Extended Warranties by mandating clearer wording, additional information in comparison to the ACL and a proposed 10 day cooling off period to be disclosed in writing.

Action: VACC urges all traders to liaise with your respective Extended Warranty provider to seek clarity on this issue.

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

Please feel free to call me with any queries.

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