



AUSTRALIAN
AUTOMOTIVE
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ASSOCIATION

DEALER
BULLETIN

CONSULTATION ON CONSUMER GUARANTEES AND SUPPLIER INDEMNIFICATION

15 December 2021

To: ALL AADA MEMBERS

Assistant Treasurer Michael Sukkar has announced a consultation period and issued a consultation Regulatory Impact Statement paper titled “Improving the effectiveness of the consumer guarantee and supplier indemnification provisions under the Australian Consumer Law”. The paper and further information is available on the [Treasury website](#).

This is a welcome consultation and will provide the AADA and members with an opportunity to raise important issues around unfair or prohibitively burdensome warranty processes and procedures, clawbacks, and instances of indemnification failures for Dealers who have acted to honour their ACL consumer obligations by rectifying and repairing vehicles.

The consultation paper is economy wide in scope, however, does specifically recognise problems occurring in the new motor vehicle sector and calls for feedback from Dealers, among other stakeholders, on issues that have an impact on their businesses. The Government is seeking to build a better understanding of proposed penalty regimes for suppliers not meeting their obligations and for Manufacturers who fail to indemnify suppliers or penalise them for performing consumer guarantee remedies.

The AADA will be preparing a comprehensive submission to the Treasury and will be seeking input and detailed case studies from various members to build the case.

Submissions are due on 11 February 2022.

If you have any questions or need further information, please contact:

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