

REVIEW FINDS AUSTRALIA'S CONSUMER LAWS ARE FAILING CAR BUYERS

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A new independent review commissioned by the Australian Automotive Dealer Association (AADA) has found that Australia's consumer law framework is failing both car buyers and franchised new car dealers, leading to significant delays, increased costs and poor consumer outcomes.

The report, prepared by Emeritus Professor Jenny Buchan, concludes that key shortcomings in the Australian Consumer Law (ACL) are contributing to lengthy delays in resolving vehicle fault claims. The review found consumers can face delays of six to eight weeks in claim resolution, while state and territory tribunal hearings can take between 12 and 18 months. The report also highlights concerns that some manufacturers are denying reimbursement claims and failing to engage effectively in dispute resolution processes.

A 2017 [ACCC market study](#) concluded that manufacturers needed to overhaul the way they were handling consumer guarantee claims and review their commercial arrangements with dealers. This latest review finds those issues have deteriorated further. Its findings come at a critical time, as Australia's automotive market undergoes unprecedented change, with industry forecasts indicating the number of vehicle brands operating in Australia will reach 75 within five years, a 92 per cent increase over the past decade.

"This review clearly shows that Australia's consumer laws are not delivering the outcomes that consumers and new car dealers deserve," James Voortman, CEO of AADA said.

"The evidence presented in this report indicates that some international manufacturers are either failing to engage with, or are not adequately responding to, Australia's consumer law processes."

"Ambiguous definitions and unclear procedures are creating unnecessary costs for businesses, placing additional pressure on tribunals and, most importantly, leaving motorists without access to their vehicle for extended periods."

In response to the review, the AADA is calling on the Federal Government to introduce mandatory and earlier manufacturer participation in vehicle-related consumer claims, undertake a targeted review of key legislative definitions, and conduct a broader assessment of how the ACL operates in the new vehicle market.

"For most Australians, purchasing a car is the second-largest financial commitment they will make. Consumers have every right to expect a fair, timely and efficient process when faults arise," Mr. Voortman said.

"Multinational manufacturers must take greater responsibility for the products they import in Australia and be active participants in resolving consumer disputes."

Key Findings of the Review

- Delays of six to eight weeks in processing consumer defect claims.
- Tribunal hearings can take between 12 and 18 months to resolve disputes.
- Inconsistent manufacturer engagement in consumer law processes.
- Unclear legislative definitions creating inefficiencies and increased costs.

- Growing market complexity as the number of vehicle brands in Australia continues to expand.

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ENDS.

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