15th April 2010

Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

economics.sen@aph.gov.au

Dear Sir / Madam

**Trade Practices Amendment (Australian Consumer Law) Bill (No. 2) 2010**

The Motor Trades Association Queensland (MTA Queensland) responds to the Senate Economics' Committee invitation for submissions to the *Trade Practices Amendment (Australian Consumer Law) Bill* (No. 2) 2010 (the (No2) Bill). This response reflects our membership who constitute significant linkages in the automotive industry value chain.

The (No 2) Bill, following on from the *Trade Practices Act (Australian Consume Law) No 1* 2009 represents a significant milestone, completing a policy process commenced with the Productivity Commission's 2008 Consumer Policy Framework.  MTA Queensland participated in several consumer law consultation phases leading to the legislative reform measures. Whilst business to business transactions were excluded, the overall policy achievement has to be recognised as significant.

MTA Queensland has considered the (No 2) Bill in the context of its application to member's businesses in the automotive industry value chain including statutory consumer guarantees, unsolicited sales practices, lay-by agreements, national product safety, new product recall powers, uniform enforcement powers and manufacturer liability.

These are comprehensive reforms and will require businesses to review current business-consumer agreements, products safety and recall procedures, standard form terms and conditions, document retention policies to identify improvements etc. that may be necessary to comply with the (No 2) Bill if passed into law.  The commencement date of 1 January 2011 for the (No 2) Bill will provide the lead time to prepare for its implementation. It is noted that the non-legislative reforms will be implemented throughout 2010.

Consideration could be given to the compilation of publication similar to the draft *Australian Consumer Law: A guide to unfair contract terms* at the appropriate time to assist the transition to the new consumer laws contained in (No 2) Bill.

MTA Queensland is supportive of the name change from *Trade Practices Act* 1974 to *Competition and Consumer Act* 2010.

**Background**

By way of background, MTA Queensland is the peak organisation in the State representing the specific interests of 2,500 businesses in the retail, repair and service sector of Australia's automotive industry.  It is an industrial association of employers incorporated pursuant to the *Industrial Relations Act* of Queensland.

The Association, comprising 12 separate divisions represents and promotes the issues of the automotive industries to all levels of government and within Queensland's economic structure.  There is a high propensity for the automotive value chain to comprise small to medium enterprises.

The MTA Queensland divisions are each representative of a specialist area of the State's automotive industry.  They are Australian Automotive Dealers' Association of Queensland; Queensland Farm and Industrial Machinery Dealers' Division; Queensland Motorcycle Industry Division; Automotive Engineers' Division; Queensland Tyre Dealers' & Retreaders' Division; Engine Re-conditioners' Association of Queensland; Rental Vehicle Industry Division; Service Station & Convenience Store Association of Queensland; National Auto Collision Alliance; Used Car Division; Automotive Under Car Division and Auto Parts Recyclers' Association of Queensland.

In Queensland, the automotive trade's value chain post Global Financial Crisis (GFC), generates in excess of an estimated $11 -12 billion annually, directly employing more than 40,000 people and contributes significantly to both Queensland's and the nation's economy.

The Association is the leading automotive training organisation in Queensland offering nationally recognised training, covering all aspects of the retail motor trades industry.

Thank you for your consideration
Yours sincerely

(...)

Richard Payne
Principal Policy Director