

20 January 2022

Director
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To whom it may concern,

**Supporting Business through Improvements to Mandatory Standards Regulation under
Australian Consumer Law**

The Australian Automotive Dealer Association (AADA) is the peak industry advocacy body exclusively representing franchised new car Dealers in Australia. We appreciate the opportunity to provide this submission in response to the consultation RIS on supporting business through improvements to mandatory standards regulation under the ACL.

There are around 1,500 new car Dealers in Australia that operate more than 3,000 Dealerships. The new vehicle retailing sector employs more than 59,000 people including many apprentices, contributes over \$14 billion to the national economy, has a total turnover/sale of more than \$59 billion and generates in excess of \$2 billion in tax revenue.

The AADA fully supports the efficiency improvements that will flow from harmonising selected Australian standards with those of trusted overseas jurisdictions. We also support the adoption of a more modern and flexible regulatory regime under the ACL which will allow mandatory standards to be kept up to date with best practice from overseas and provide a timely and efficient process for voluntary standards to be adopted and referenced in the mandatory standards. The ensuing reduction in compliance costs will allow Australian businesses to offer a greater number of safe products, providing consumers with greater choice at reduced costs while offering the best available protections.

Members of the AADA are in franchise agreements with the motor vehicle Manufacturers and distributors they represent. In Australia, the Manufacturers and distributors are represented by the FCAI, who we note have also provided a comprehensive submission to this enquiry and whose responses and recommendations we fully support.

Appendix B of the consultation paper identifies a range of products that relate directly to the franchised new car industry, and these are the products on which we have based our comments:

- Button and coin batteries
- Child restraints used in motor vehicles
- Elastic luggage straps
- Portable aerosol fire extinguishers
- Portable ramps for motor vehicles
- Trolley jacks
- Vehicle jacks

- Vehicle support stands

As the retail face of the industry, we concur with the statement by the FCAI regarding unique requirements creating additional compliance measures that add to the costs for Manufacturers and ultimately are passed on to consumers.

From the AADA perspective, we have limited our responses to the questions of most relevance to our members.

They are as follows:

Q10 - AADA agrees with the views of the FCAI and recommends the adoption of *a principles based approach for declaring overseas standards*, outlined in Alternative 2.

Q16 – The cost of complying with standards has a direct effect on the range of products available to consumers and their retail pricing. The AADA recommends the adoption of Alternative 1, *permitting standards to apply, as they exist, from time to time*.

Q24 – The AADA supports the proposal to combine Options 2 and 3.

Please contact us for any queries you may have or if you would like us to provide any further information.

Yours sincerely,

James Voortman
Chief Executive Officer
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