

## SECOND READING SPEECH

### Motor Vehicle Traders Bill 2011

Mr Speaker, I move that the *Motor Vehicle Traders Bill 2011* be read a second time.

The Motor Vehicle Traders Bill will regulate the motor vehicle industry in Tasmania. The legislation replaces the *Fair Trading (Code of Practice for Motor Vehicle Traders) Regulations 1996* which have now been the subject of review for a number of years and which have been the subject of considerable consultation.

Mr Speaker, I will now outline some of the main features of the Motor Vehicle Traders Bill.

The legislation extends the statutory warranty provisions contained in the *Fair Trading (Code of Practice for Motor Vehicle Traders) Regulations 1996* to four wheel drives, and to motor cycles designed for on road use.

The Bill requires a motor vehicle trader to provide a warranty to repair certain defects in vehicles offered for sale (other than commercial vehicles), if the vehicle has travelled less than 120,000 km, and was fitted with a compliance plate less than 7 years ago.

A statutory warranty applies to new and used motor cycles and scooters offered for sale if they have travelled less than 15,000km, or were fitted with a compliance plate less than 3 years ago.

The Bill establishes a licensing process for motor vehicle traders which:

- requires applicants to prove they are a fit and proper person to operate as a motor vehicle trader;
- requires that in applying for a licence a trader agrees to abide by the requirements of the legislation;
- prescribes circumstances in which a licence can be revoked, including a failure to comply with any provision of the legislation;
- applies to traders in both new and used motor vehicles.

In applying for a licence a trader will agree to abide by the requirements of the Act. In the event of a failure to comply with any provision, the Act prescribes circumstances in which licences can be revoked, particularly in relation to standards of conduct required of traders, and misrepresentation.

The granting of a licence under the proposed legislation will be linked to the stamp duty exemption process, managed by the Department of Treasury and Finance, in order to minimise the administrative burden on both traders and government.

With respect to conduct, it will be an offence to make a false or misleading claim or statement in an advertisement knowing or believing it to be false or misleading.

It will be an offence to misrepresent the condition of the vehicle or to make a false or misleading statement with respect to an odometer reading.

The legislation requires that the “pre-sale disclosure statement” be prominently displayed on all used motor vehicles offered for sale.

This pre-sale disclosure statement will enhance the application of the statutory warranty by bringing significant information about the vehicle to the consumer's attention.

The legislation provides that any contract for the sale, purchase or exchange of a motor vehicle must be in writing and contain:

- the conditions of sale, purchase or exchange;
- the total price to be paid;
- any changeover price resulting from a trade-in;
- any undertakings given in addition to any warranty;
- the statutory warranty;
- any additional warranties; and
- a copy of the pre-sale disclosure statement and any other prescribed documents.

The legislation provides remedies for consumers who suffer loss or damage arising from the conduct of a motor vehicle trader or any of their employees in contravention of a provision of the Act.

The Motor Vehicle Traders Bill has been developed in consultation with the Tasmanian Automobile Chamber of Commerce and I would like to express my appreciation to members of the Chamber for their considerable input in drafting the Bill. The Bill is widely supported by members of the Tasmanian automotive sales industry.

Mr Speaker, the Bill will operate in concert with the new Australian Consumer Law.

The Australian Consumer Law (ACL), passed by Parliament late last year, comprises Schedule 2 of the *Competition and Consumer Act 2010* of the Commonwealth, and commenced as a law of Tasmania on 1 January 2011.

The ACL delivers enhanced consumer protections for Tasmanian consumers. The ACL includes new national laws guaranteeing consumer rights when buying goods and services, including motor vehicles.

The Motor Vehicle Traders Bill will operate in conjunction with the new Australian Consumer Law to provide an enhanced level of protection for consumers when purchasing new and used motor vehicles in Tasmania.

Mr Speaker, I commend the *Motor Vehicle Traders Bill 2011* to the House.