



## Motor Trades Association of Australia

Mr John Hawkins  
Secretary  
Senate Economics Legislation Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

By email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Mr Hawkins

Thank you for the opportunity for the Motor Trades Association of Australia (MTAA) to provide a submission to the Senate Economics Committee's Inquiry into the National Consumer Credit Protection Bill 2009 and related bills (the Bills).

MTAA is the peak national representative organisation for the retail, service and repair sector of the Australian automotive industry. As part of its representative role, the Association represents the interests, at a national level, of over 100,000 retail motor trade businesses which have a combined turnover of over \$160 billion and employ more than 308,000 people. MTAA is, therefore, the largest 'stand-alone' small business association in Australia. The Association is a federation of the various state and territory motor trades associations, as well as the Service Station Association (SSA) and the Australian Automobile Dealers Association (AADA). MTAA also has a number of Affiliated Trade Associations (ATAs), which represent particular sub-sectors of the retail motor trades ranging from farm machinery dealers to automotive parts recycling.

The Australian Automobile Dealers Association (AADA) represents at a national level the interests of near to 1,500 franchised new motor vehicle dealers who hold some 3,500 franchises and employ near to 75,000 people.

The Association has discussed the National Consumer Credit reforms with Treasury and has expressed its views that car dealerships are not engaged in the provision of credit to consumers. Motor vehicle dealerships only act as a conduit between the consumer and the finance company by providing consumers with information that is provided by the finance provider. Motor vehicle dealerships do not participate in the credit worthiness assessment or the credit approval processes, which are handled independently by the finance company; nor do dealerships provide credit to consumers.

MTAA therefore welcomed the announcement by the Minister for Financial Services, Superannuation and Corporate Law, the Hon Chris Bowen MP, on 25 June 2009 that point-of-sale retailers, including car dealerships, would be exempt from the licensing and other requirements in the Bills for at least the next 12 months. MTAA understands that the exemption will be reviewed at

the end of that period and the Association would be pleased to actively participate in that review. In the meantime however, MTAA would encourage the Committee to recommend that the detailed wording to give effect to the point-of-sale exemption be released as soon as possible so that the status of those affected is clear and transparent.

In addition, MTAA is aware of an issue raised by Optometrists Association Australia in relation to the issue of 'co-branded' products. As number of Members of MTAA also have arrangements such as this and as such would ask the Committee to recommend that Treasury provide further clarification on the intended scope of the Bills and reform in relation to that issue.

The Association also urges the Committee to recommend that further development of the Bills and its supporting regulation be conducted in an open and transparent manner, allowing all industry participants and affected stakeholders a reasonable opportunity to review and comment on materials that are developed.

Thank you for the opportunity to comment on this matter.

Yours sincerely

**MICHAEL DELANEY**  
**Executive Director**

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