

## **About the Commercial Vehicle Industry Association of Australia**

The Commercial Vehicle Industry Association of Australia (CVIAA) is an organisation comprising of individual state bodies and organisations. Membership is currently represented by:

- Commercial Vehicle Division of VACC including Tasmania
- Commercial Vehicle Division of Motor Trade Association of NSW including ACT
- Commercial Vehicle Division of Motor Trade Association of SA
- Commercial Vehicle Division of Motor Trade Association WA
- Commercial Vehicle Division of Motor Trade Association NT

The membership of CVIAA comprises various of companies which include truck, trailer and specialised vehicle manufacturers and distributors, vehicle component equipment and accessory manufacturers and distributors, truck and trailer dealerships, repairers and modifiers.

CVIAA has more than 1200 members nationally.

### Background on the heavy vehicle industry include data.

- Over 4,500 businesses operating nationally
- Employs over 50,000 people nationally
- Generates \$5.76 billion in capital GDP
- Keeps over half a million trucks, commercial vehicles, buses and trailers safely on Australian roads
- Generates skills through apprenticeship training and vehicle product design and manufacture

The industry is very competitive with small profit margins. Motor vehicle standards at both national (via National Heavy Vehicle Regulator) apply in Victoria, Tasmania, NSW, SA and state standard regulators apply throughout Australia. These standards include safety standards.

### Australian Consumer Law review

The CVIAA welcomes the review and agrees that largely the legislation has worked well. However, since its operations began in 2011, suppliers have experienced some difficulty where consumers of road transport vehicles had pursued claims that are in the view of suppliers unbalanced.

Most often, products manufactured or sold by CVIAA members is valued in excess of \$40,000, and/or are caught up in the consumer guarantees concerning “a vehicle or trailer primarily used to transport goods on public roads.”

Even though supplier customers are businesses themselves, the ACL protects supplier customers. CVIAA members understand the consumer guarantees.

### Suppliers and Repairers

CVIAA members are often suppliers and repairers. Repairs are conducted on their own products and products from other suppliers. These vehicles require servicing and repairs.

The diversity of product in the Australian market is very large compared with the overseas market. This presents challenges in availability of parts, particularly with specialised parts or parts concerning security features of a vehicle. Often these parts must be sourced overseas and delivery times are outside the control of the repairer.

The concern CVIAA members have are not just the expectations but also the potential remedies which are pursued through state jurisdictions. Lack of understanding of the industry and technology in vehicles produces outcomes that are inconsistent and provide little guidance to businesses in terms of precedent which should guide and/or clarify expectations and responsibilities. Lack of clarity gives rise to claims for refunds or replacements regardless of the age and use of vehicle. Further, repairers while held responsible for consequential loss would have no foreseeable understanding of the consequential loss.

### **The CVIAA recommends clarity around the obligation to repair within a reasonable time**

This adds pressure to a business that already operate on small margins, particularly those businesses wither supplying or repairing second hand vehicles.

### Exemptions

The ACL currently provides exemptions to the guarantees. One exemption concerns product/s “worth more than \$40,000 purely for business use, such as machinery or farming equipment.”

CVIAA believes that this exemption should include vehicles for transporting goods on public roads due to the sheer size of the market of owner operators that use the product heavily and that regular servicing of vehicles is not compulsory.

**CVIAA recommends that the “right to repair, replace, refund, cancel or compensation”, not apply to vehicles worth more than \$40,000 purely for business use such as vehicles for transporting goods on public roads**

## Personal Importation of Vehicles

The CVIAA is concerned with the impending relaxation of conditions concerning personal importation of vehicles. The reasons are:

1. The vehicles had not been built for the harshness of the Australian market including our grade of fuels and oils
2. Difficulty in locating parts and information to service the vehicles
3. Dealers will be left with low resale value units when the consumer trades in for an Australian product
4. The ACL will not protect the consumer in their purchase, but repairers and dealers of the brand will be faced with pressure to comply with all the ACL guarantees and consequently its remedies

**CVIAA recommends limiting ACL obligations on independent repairers and dealers when faced with claims from consumers to comply with ACL guarantees concerning repairs and remedies**

Contact

Phil Hodges

President of CVIAA

Mobile: 0400 176 280