

NARGA

National Association of Retail Grocers of Australia Pty Ltd

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SCOCA Australian Consumer Law Consultation
Competition and Consumer Policy Division, Treasury
Langton Crescent
PARKES ACT 2600

Email: australianconsumerlaw@treasury.gov.au

Dear Sir or Madam,

Re: An Australian Consumer Law – Consultation Paper

Our comments on the Consultation Paper on *An Australian Consumer Law* are as follows:

- NARGA supports the consolidation of federal and state consumer law under a single uniform Act.
- Our view is that the definition of 'consumer' should be extended to small businesses dealing with relatively larger suppliers and farm businesses dealing with both suppliers and customers. These businesses should have access to a low cost process to address concerns they may have with a supplier, customer or landlord.
- In the case of small businesses and farm enterprises the distinction between purchase for business and personal use should be removed.
- The exclusion of resupply should be removed.
- We believe that the current \$40,000.00 limit of the value of goods and / or services purchased is too low – it does not, for example, cover the cost of a medium priced motor vehicle.

- We agree with the PC that state based industry-specific regulation is often too prescriptive and differs unnecessarily between jurisdictions.
- NARGA supports the establishment of a common national public warning and recall system, provided that there is ample opportunity for consultation with the affected party or sector.
- Given the increasing complexity of both products and the provision of services the legislation should recognise that in many instances the retailer is a mere conduit of products or services supplied by other (often larger) parties. Under current law the retailer is seen as the *supplier* of these goods or services and therefore incurs a potential liability in the supply of these goods and services. The legislation should more clearly recognise the role of the producer of these goods or services and their implicit relationship with the consumer. In so doing the liability for any defect in the product or service or any loss or injury resulting from the same could be seen to pass through to the original producer. This is currently the case for goods and services that have a warranty or guarantee provided by the producer. Perhaps the concept of an implied guarantee would be useful.
- The Paper suggests that reform of the law should be based on 'best practice' existing consumer law in the states and territories. Whilst we agree in principle, care should be taken that an appropriate balance be struck between the interests of consumers and business. Not to do so would either disadvantage the consumer or disadvantage business. In the latter case, businesses would become less viable with obvious implications for employment.

We look forward to the opportunity to comment on the draft legislation and the accompanying RIS.

Please contact me should you need any further information.

Yours faithfully,



Ken Henrick

Chief Executive Officer