

11 February 2022

Submission to Treasury:

Improving the effectiveness of the consumer guarantee and supplier indemnification provision under the Australian Consumer Law



The Australian Mobile Telecommunications Association (AMTA) welcomes the opportunity to provide a submission responding to the Treasury's Consultation Regulation Impact Statement (CRIS) that canvasses the proposal to develop a regulatory impact assessment on options to ensure businesses comply with the consumer guarantee provisions in the Australian Consumer Law (ACL) as well as options around supplier indemnification provisions.

AMTA's members include manufacturers and suppliers of mobile phones and devices. AMTA takes the view that the ACL provides a robust, best practice (when compared globally) regulatory framework to protect consumers. We see no evidence of issues or behaviour in the mobile phone market to indicate a need to mandate supplier indemnification.

Due to the nature of the mobile eco-system there are strong commercial arrangements between manufacturers, suppliers, mobile network and service providers, with each entity also having a close relationship with the customer.

Unlike motor vehicles, mobile phones are a commodity product, with even the highest priced products being well below the price point for a motor vehicle. The available ACL options of repair, replace or refund are therefore more easily agreed between supplier and customer to both parties' satisfaction.

We therefore do not support changes to the regulatory arrangements as outlined in the CRIS.

We do note, however, that the CRIS seems to be focussed on the motor vehicle Industry and while we are not able to provide comment on Issues that may exist in that Industry, we suggest that if the issues are related to that particular industry, any changes to the regulatory framework or other remedies, such as a public education campaign, should be limited to that industry.

For any questions about this submission please contact Lisa Brown, Public Policy Manager, AMTA at lisa.brown@amta.org.au or (02) 8920 3555.