



Speech by

**Hon. JUDY SPENCE**

**MEMBER FOR MOUNT GRAVATT**

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Hansard 22 October 1998

**MINISTERIAL STATEMENT**

**Jolly Frog Car & Bike Rentals Pty Ltd**

**Hon. J. C. SPENCE** (Mount Gravatt— ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (9.52 a.m.), by leave: I would like to draw honourable members' attention to the activities of a Cairns-based business which I believe is doing considerable damage to the interstate and overseas reputation of Cairns, and Queensland, as a tourist destination.

The Cairns Office of Fair Trading has regularly received complaints about Jolly Frog, a car rental business. The company has had a poor complaint history over the past five years and at times the office has received up to 10 telephone calls per month about this trader. Over the past year complaints have increased. Many of the complaints have been resolved in the aggrieved client's favour, but only after extensive work by Office of Fair Trading staff.

Jolly Frog Car & Bike Rentals Pty Ltd— ACN 055 235 320—has its registered office and principal place of business at 147 Sheridan Street, Cairns. I understand the Jolly Frog operates from a number of sites in Cairns. An affiliated business, North Queensland Car and Bus Rentals, operates from the same address and also attracts considerable complaints. Both businesses are managed by Michael David Kennedy. Mr Kennedy is understood to also have businesses on the Gold Coast, including another Jolly Frog car rental outlet.

Significantly, the 1989-90 annual report of the then Consumer Affairs Bureau reported the following under the heading "Traders to Avoid in Cairns"—

"Like all cities, Cairns has received its share of unethical traders and two such businesses were named during the year. Michael Kennedy and Kathy Jones, who carried on business as Cairns Car Buying and (later) as Cairns Motor Market of Spence Street, Cairns were involved in the sale of unroadworthy motor vehicles and the supplying of false information to finance companies."

Earlier in 1987 Mr Kennedy had surrendered his motor vehicle dealers licence after inquiries were made into his conduct. Mr Kennedy is no stranger to suspect business practices. I also understand the Cairns police have received in excess of 100 complaints about Jolly Frog's operations. Jolly Frog, North Queensland Car and Bus Rentals and Mr Kennedy are also well known to the Department of Transport, which has successfully prosecuted them for having unregistered vehicles and for numberplate offences. The department has also pursued them over dishonoured cheques.

Jolly Frog was the subject of an article in "The Fixer" column of the Sunday Mail. The reported case was of a British tourist overcharged \$750 on his credit card when he used the Gold Coast Jolly Frog and who had to wait eight months for a refund which came only after much pressure was brought to bear by the young man's relatives and through newspaper exposure.

Complaints to the Office of Fair Trading about the Jolly Frog's activities include allegations of—  
failing to return deposits;

overcharging hirers' credit cards without consumers' knowledge in relation to vehicle damage allegedly sustained to the hired vehicles;

supplying vehicles of a mechanical standard that the hirers considered unsatisfactory or unroadworthy; and

vehicles breaking down and substitutes having to be provided.

I understand there is also evidence that in one case the trader hired out a motorcycle which was unregistered at the time.

These complaints go way beyond the complaints received against any other car rental companies. One foreign consumer claims that he was charged \$50 to clean the car because it had become dirty when it was rained on. Consumers are strung out for months waiting for the resolution of invalid debits to their credit cards. I understand that allegations have also been made by consumers of being abused by the trader's staff.

The company adroitly walks the fine line between legality and illegality. It has a common practice of debiting credit cards for amounts of \$300 to \$500 without justification. If challenged by the consumer, there is then a long drawn-out process which costs the consumer considerable time, inconvenience and expensive telephone calls and faxes. Files are "misplaced" or the relevant company representative is hard to find.

If the Office of Fair Trading becomes involved, the time of the office's staff is taken up by the petty, lame delaying tactics by Jolly Frog's management to avoid paying the refund. In some cases belatedly the refund is made after the Jolly Frog's bank account has benefited from the extra money at the consumer's expense. The company usually takes two credit card imprints and has the consumer sign them before the hire vehicle is delivered. The first imprint is a deposit to cover any form of damage to the vehicle while it is in the possession of the hirer. The second imprint is to cover hire fees. Upon the return of the vehicle in an undamaged condition, one imprint should then be destroyed. But this is not always done, although consumers are assured it has been or will be. Then a debit is made under some pretence which advantages the cash position of Jolly Frog even if only temporarily.

It is not unreasonable to suspect that this company relies on slippage in that some consumers may not notice the extra charges or, if they do, will not do anything about them because of the cost, inconvenience, perhaps even embarrassment at being ripped off and general difficulties of dealing with problems from a distance, particularly if they live in another country. As with many consumer matters formal complaints to fair trading agencies are usually only the tip of the iceberg as many people do not lodge written complaints. With the Jolly Frog the "tip" is substantial and a very large iceberg of consumer disadvantage is likely to be below the surface.

Honourable members will share my concern that visitors to this State, particularly overseas visitors, are those most vulnerable when dealing with the Jolly Frog. Complaints have come to Fair Trading from the United Kingdom, Europe, the United States and South America, as well as from other Australian States and Territories. Many overseas tourists apparently do not become aware their credit card accounts have been debited until weeks later after they have returned home. This often leaves them with little means of effective redress and a very sour view of their Queensland visit. No doubt they spread the word to their friends and family.

It is reasonable to suspect that foreign tourists are seen as easy prey because language difficulties, travel commitments and the cost of seeking redress work against them enforcing their consumer rights. Many local residents in Cairns already know of the Jolly Frog's appalling reputation. Visitors are not so lucky and unsuspectingly hire vehicles from the company.

As honourable members would appreciate, in areas such as Cairns and the Gold Coast where tourism is a large industry, the practices of traders such as the Jolly Frog can have a serious adverse effect on that industry and the image of the State overall. If we are to maintain and enhance our reputation as a safe and enjoyable place for tourists, it is essential that unscrupulous traders are weeded out and unsatisfactory business practices rectified. Their cavalier behaviour threatens the reputation of an industry employing 125,000 Queenslanders. Moreover, the bad reputation of the Jolly Frog may discourage tourists from using other small rental companies which are well run and are striving to build their businesses by offering competitive services to consumers.

The Office of Fair Trading will continue to investigate complaints against the Jolly Frog and will consider prosecution where there is evidence of breaches of consumer protection laws. Meanwhile, I am warning all consumers to be very wary of any dealings with the Jolly Frog in Cairns or the Gold Coast or with any business run by Mr Michael Kennedy. The business practices of this operator are completely unacceptable. In particular, consumers should ensure that all credit card slips are either completed by them or, if not used, destroyed to prevent unauthorised debits being made. They should never leave a blank credit card slip with the business. They should also ensure that the vehicle is thoroughly inspected with the company's representative before and after renting so that the hirer cannot be stuck later with a bogus claim for damage.

We berate the cane toad as a pest in our environment, but the Jolly Frog is an obnoxious creature which plagues our tourism industry.