




Speech By
Joan Pease

MEMBER FOR LYTTON

Record of Proceedings, 25 February 2016

LEGAL AFFAIRS AND COMMUNITY SAFETY COMMITTEE REPORT

Motion to Take Note

 **Ms PEASE** (Lytton—ALP) (11.44 am): Today I rise to commend the lemon laws inquiry into consumer protections and remedies for buyers of new motor vehicles. Growing up, I looked forward to many things, and I am sure that these aspirations would be the same for most of us: travelling, buying a new car or owning a house. I remember fondly my first car—a lovely yellow 1985 Ford Laser. I loved that car and I was fortunate that it was reliable and lasted me and my family for close to 20 years.

For most people, myself included, the purchase of a new car can be one of the first of large-cost items that we purchase. We work hard and possibly take out a loan for a car that meets our needs and those of our families. Mostly for Queenslanders who purchase new vehicles it is a great experience, giving us independence, the ability to do our job or keep up with family commitments. Sadly, however, for some Queenslanders this is not the case. Sometimes Queensland consumers purchase a new motor vehicle with numerous and severe defects that reoccur despite multiple repair attempts and defects have caused a new motor vehicle to be out of service for a prolonged period of time. Those Queenslanders who have unfortunately purchased a lemon need protections and remedies.

Many countries already have lemon laws in place. The United States of America, China and Germany have had these laws in place for several decades and the most common form of protection provides consumer remedies for a vehicle where the manufacturer is incapable, within a reasonable period, of correcting any defects that substantially impair the use, value or safety of the vehicle and rules about how long constitutes a reasonable period and what remedies are available.

The Australian Bureau of Statistics shows that during 2014 on average there were approximately 93,700 new vehicle sales per month in Australia. During the same period and on average in Queensland, there were approximately 18,600 new motor vehicle sales. This accounts for 20 per cent of all car sales in Australia. Some 48 per cent of these were passenger vehicles, 32 per cent sports utility vehicles and 20 per cent other vehicles. Queensland new vehicle buyers have become the victims of lemon vehicles and some have been so incensed that they have run high-profile campaigns to raise community awareness about their experiences, and many people in the House today would be aware of these campaigns.

'Lemon' laws: inquiry into consumer protections and remedies for buyers of new vehicles proposes a number of recommendations. These recommendations include that the government amend existing Queensland legislation to ensure effective implementation of its recommendations and to do so as part of a national approach to lemon laws. The report also recommends the incorporation of clear and practical definitions and provisions into any nationally consistent laws about new lemon motor vehicles, including mandatory time and repair limits and clarity as to when a supplier or manufacturer

must repair, refund or replace the motor vehicle. There also needs to be an adequate definition of what constitutes a lemon motor vehicle, including acceptable quality and fit for purpose, clarity between major and minor defects and also a distinction between a lemon and generic design or safety defects.

Further recommendations include a review of cooling-off periods for new motor vehicles with consideration as to whether such a period should be unable to be waived by the purchaser and also whether disadvantaged persons should receive the benefit of a longer period. Another recommendation was that the state and Commonwealth governments implement business and consumer awareness programs with the intention of educating industry and consumers on the intent of the Australian Consumer Law.

Importantly, the committee recommended that the government change the Queensland Civil and Administrative Tribunal jurisdiction limit. Currently, it is set to \$25,000 for matters involving new motor vehicles with major defects. Government members of the committee recommend that the limit be removed to protect Queenslanders who purchase a vehicle for an amount in excess of the current cap. I am proud to be part of the Palaszczuk government, which is ensuring that Queensland consumers get a fair go and that their concerns are listened to.