



Speech By
Mark Furner

MEMBER FOR FERNY GROVE

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LEGAL AFFAIRS AND COMMUNITY SAFETY COMMITTEE

Report, Motion to Take Note

 **Mr FURNER** (Ferny Grove—ALP) (11.33 am): I move—

That the House take note of report No. 17, *'Lemon' laws: inquiry into consumer protections and remedies for buyers of new motor vehicles*, of the Legal Affairs and Community Safety Committee.

I rise as chair of the Legal Affairs and Community Safety Committee to commend to the chamber the report titled *'Lemon' laws: inquiry into consumer protections and remedies for buyers of new motor vehicles*. First I thank committee members, the secretariat staff, the submitters and those who appeared before the committee. I single out Mr Greg Thomson for his excellent work on this report.

The committee undertook the inquiry over several months and invited input from consumers of new cars, including some who have experienced particular difficulties with those new cars; motor vehicle manufacturers and dealers; consumer advocates; academics; legal bodies; and motoring organisations. The committee identified key issues raised by those who made submissions and appeared before the committee. They conveyed to us their recommendations as to what issues exist and what improvements could be made. We also considered features of consumer protections offered in other jurisdictions. Members would be surprised to find that some of the other jurisdictions that have provisions protecting consumers in terms of lemon vehicles include Germany, USA and even China.

It was clear to the committee that where a consumer has purchased what they perceive to be a lemon it is of great significance to that individual, with significant health and financial costs. I recognise two of the submitters who appeared before the committee. Mr Ashton Wood found that, after considerable efforts to resolve the matter, the manufacturer offered a trade-in of \$22½ thousand, despite the fact the vehicle was worth \$44,000. He went to QCAT, which dismissed the application as a claim that exceeded \$25,000, which is its jurisdiction limit. That informed one of the committee's recommendations, to consider making improvements in that area. I will come to that in a moment. Ms Connie Cicchini was actually refused a refund or replacement, despite purchasing a vehicle for approximately \$40,000. She also made an application to QCAT for the maximum claim amount of \$25,000. She also went on to pursue QCAT action over two years and won an appeal in relation to that decision as the adjudicator erred at law in that particular matter.

The committee received 25 submissions from consumers and stakeholders in the industry related to the inquiry. The committee, in conjunction with another inquiry, travelled to Mount Isa, Weipa and Cairns. It also conducted a public hearing in Brisbane on 28 October 2015. The committee endeavoured to get as much exposure as possible and to get feedback from people concerned about this issue.

Recommendation 7 of the report refers to the issues I raised earlier in relation to QCAT. As a result of the evidence provided to the committee, government members decided to recommend the removal of the \$25,000 cap for matters brought to QCAT. Non-government members considered it

appropriate to only increase the cap to \$40,000. In many cases these days, this is below the average price of a vehicle.

The committee also made a number of findings. Despite the fact that only slight evidence was provided to the committee, we were able to make a finding that lemons represent a prevalent issue in our society. It was very clear that where a consumer purchases what they perceive to be a lemon it is of great significance to them, with significant health and financial costs. As explained by witnesses, there is a burden placed on them in terms of having to remedy the problem, continuing to try to get to work, continuing to try to take their children to school. Not only are financial costs put on them; they also experience stress, pain and anxiety as a result of trying to have repaired vehicles they consider to be lemons.