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SUBMISSION TO THE INTERIM REPORT ON THE AUSTRALIAN CONSUMER LAW

EXECUTIVE SUMMARY

In this submission I will show that the *Australian Consumer Law* (ACL) is not living up to its goals or objectives for consumers of expensive one off purchases such as caravans. I demonstrate that the system is fundamentally flawed, from the way that the interpretation of the ACL can be manipulated to deny consumers their rights, to the ease by which suppliers and manufacturers deny consumer rights, to the lack of action by regulators to enforce breaches of the ACL, to the difficulties faced by consumers in receiving timely and appropriate redress, to the judicial system putting the 'nail in the coffin' of consumer rights by making it not only inaccessible and unaffordable, but by creating a further imbalance of power between the already powerless consumer and the far more powerful supplier and manufacturer.

I have made multiple recommendations that I believe will enhance the implementation and enforcement of the ACL, give consumers greater certainty about their legal rights and more confidence in the market place and to facilitate the achievement of the stated goals and objectives of the entire ACL system.

INTRODUCTION

Lemon Caravans and RVs in Aus is a Facebook group with over 5000 members and growing rapidly. It is primarily a 'victim support group' for owners of lemon caravans and other Recreational Vehicles (RVs), where they can share their stories and get support and advice from other similarly aggrieved RV owners. Here they also learn of their consumer rights under the Australian Consumer Law.

It has also become a place where prospective RV purchasers can gain useful information about their shortlist of brands and suppliers and make a more informed choice as a consumer. This is because there is an absence of negative reviews as they are not allowed in owners forums or groups and have been allegedly removed from suppliers Facebook pages.

Having this information in turn puts market pressure on manufacturers and dealers to abide by the ACL, Australian Standards and Australian Design Rules as consumers now know what to look for and the questions to ask before handing over substantial sums of money for a new RV. The economic consequences of negative reviews in social media has been far more effective to date than any complaints to regulators or legal action.

I have a BA (Murdoch) in Politics and International Studies. I undertook a Parliamentary Internship where I worked with a Parliamentarian as a researcher. I analysed the implementation and flaws in the *Aboriginal Heritage Act 1972 (WA)* and made 88 recommendations. I have been told that my report has been used in a number of Native

Title cases. I feel that this experience as well as other relevant work experience has enabled me to effectively and expertly analyse the implementation and flaws of the ACL especially in relation to expensive purchases. I thank the Secretariat for the opportunity to add to the debate and hope that my arguments, analysis and recommendations will be used to enhance consumer protection into the future.

EXPENSIVE PURCHASES

The ACL may work well for relatively inexpensive products, but for large, one off purchases it functions very poorly. This is definitely the case for the purchase of vehicles, including new cars, caravans and boats, some of which may be the most expensive, or second most expensive, purchase in a consumer's lifetime. I will leave other interest groups to discuss the new car and boat manufacturing industries and will focus my examination of the efficacy of the ACL in achieving its stated goal in relation to consumers purchasing caravan and other RVs.

The overarching goal of the consumer protection regulatory system is stated as:

> To improve consumer wellbeing through consumer empowerment and protection, to foster effective competition and to enable the confident participation of consumers in markets in which both consumers and suppliers trade fairly. (Australian Consumer Law Review: Interim Report p. 5)

The six operational objectives are stated as:

- to ensure that consumers are sufficiently well informed to benefit from, and stimulate effective competition
- to ensure that goods and services are safe and fit for the purposes for which they were sold
- to prevent practices that are unfair
- to meet the needs of those consumers who are most vulnerable, or at greatest disadvantage
- to provide accessible and timely redress where consumer detriment has occurred
- to promote proportionate, risk based enforcement.
  (*ibid.*)

I will argue that with respect to expensive purchases, none of these objectives are being achieved under the current ACL or regulatory regime and that as a result, consumers are forced into taking expensive legal action, where the judicial system is failing them as well.

I believe that part of the reason for this is because there is an assumption that if a consumer can afford an expensive product that they can afford legal advice and litigation to achieve their consumer rights, but this is not always the case and in fact shouldn't be the case. Why should it cost a consumer financially for the privilege of purchasing a defective product, irrespective of the purchase price? All consumers should be treated equally irrespective of whether the defective product is a $100 toaster, a $2000 TV or a $100 000 caravan.

LEMON LAWS FOR ALL VEHICLES AND WHY THEY ARE NECESSARY FOR EFFECTIVE CONSUMER PROTECTION

In response to s. 2.1.5 of the Interim Report: Industry Specific Terms

Recommendation:
Lemon laws are necessary to ensure effective consumer protection and must cover *all* new vehicles that are required to be registered by government authorities and comply to Australian Design Rules and Australian Standards, not just new motor vehicles. The issues of multiple, serious manufacturing defects and subsequent denial of consumer rights are identical between vehicle manufacturing industries.

Recommendation:
That each State and Territory have a dedicated no/low cost vehicle claims mediation or Tribunal system without financial limits, as part of their 'small claims' system, with hearings having adjudicators who are experienced in dealing with these matters. These tribunals would not under any circumstances allow legal representation for the manufacturer or supplier but would allow legal representation for the consumer for limited special circumstances. This representation would be supplied by the Tribunal at no cost to the consumer.

The caravan and other RV manufacturing industry is growing exponentially and is worth billions to the Australian economy. This information is well covered by the Caravan Industry Association of Australia submission to the Issues Paper so I won't repeat it again here. I will use the term 'caravan' to include all RVs as ninety percent of the market are caravans.

It is therefore unbelievable but true that this industry, unlike motor vehicle manufacturing, is completely unregulated. Anyone can set up a caravan manufacturing business with a shed and enough money to make their first caravan.

In Victoria, where the bulk of caravan manufacturing takes place, they don't need any licence to do so, which is why the vast bulk of caravans are manufactured there. In addition, there is no legislative requirement for them to even have a licensed electrical worker to install the ever more complex wiring systems into the caravan and no requirement for a Certificate of Electrical Safety. This was conformed to me in writing by the Directory of Energy Safety, Paul Fearon.

This is a recipe for catastrophic failure. There have already been allegations of fatalities caused by manufacturing defects but to date the evidence has not been conclusive. By and large driver error is blamed. It is sadly only a matter of time before a family is killed and the evidence will be there. I know of a number of near fatalities that have happened to members of my group. Many reports are of electrical fires and other electrical safety issues such as live appliances and taps.

The only requirement for caravan manufacturers is that under the Motor Vehicle Standards Act 1989 they must comply with Australian Design Rules and Australian Standards. However they 'self certify'. Unlike vehicles over 4.5 tonnes, under this weight there is no regulatory oversight what so ever. They can tick a box and simply claim that they are compliant.

The price of new caravans has also increased exponentially. The top end of the market now regularly sells caravans for over $100 000. 'Baby boomers' are spending their superannuation or selling their homes for the dream of travelling Australia and many caravan manufacturers have been very quick to relieve them of their savings with false promises and a lot of 'bling'.

Of interest, many of my members who report having a 'lemon caravan' are from severely disadvantaged populations. For example: the elderly, chronically unwell, people with disabilities, their carers, pensioners and retired people with no little to future earning capacity. These consumers often spend a large proportion of their life savings or sell their homes to have a quality of life that they perceive will be available to them when they 'hit the road' in their brand new caravan. They are often upsold at caravan shows, dazzled by the bling, and are manipulated into signing contracts before they realise what is happening.

Caravan manufacturers no longer advertise that they are selling caravans, they advertise it as an 'aspirational purchase', the dream of freedom, targeted directly at retirees. For example, Lotus Caravans states on its web site:

The Caravans Lifestyle

Off-road adventuring meets modern luxury; models help your dream adventure become reality.

and:

> **The Liberty of a Caravan Lifestyle**
> The moment you hook any of the Lotus Caravans to your vehicle, it's the moment a whole new world of touring possibilities opens up for you - opportunities limited only by your sense of wonder and adventure... (http://www caravans.com.au/lifestyle Accessed 15 December 2016)

The lack of regulatory oversight has produced a rogue industry that has little to no regard for any laws, including consumer laws and Australian Standards. A recent news article on Caravan Camping Sales.com stated that:

> "As many as nine out of 10 new caravans don't meet all State and industry regulations, potentially putting their owners at risk – not just of an accident or component failure, but also of breaking local road laws and potentially being at odds with their insurance companies." (http://www.caravancampingsales.com.au/editorial/news/2016/is-your-caravan-legal-58254 Accessed 6 December 2016)

These are very disturbing figures and are supported by the many stories and comments by my members.

Members of my Facebook group regularly report serious breaches of consumer laws, Australian Standards and Australian Design Rules. Dealers and manufacturers both know that the State based regulators and the ACCC will take no action against them. After five years of the implementation of the *ACL*, to the best of my knowledge there has been no prosecution for breaches of s. 106 of the ACL, in spite of numerous recalls and reports of serious safety breaches to the ACCC Product Safety Branch.

I know this for a fact with my own lemon caravan case, where I have supplied expert reports of breaches of legislation, Australian Standards and the ACL to the Queensland Office of Fair Trading and to date, after 14 months, no action has been taken. Their enforcement department simply refuses to act, in spite of numerous remedies available to them that don't require them to take legal action.

I am not alone in this. I recently conducted a poll of my group and the results are:

Do you have or have you had a defective RV?	120
I suffered a financial loss as a result of the defects in my RV.	68
The defects were rectified by the supplier and/or manufacturer promptly.	38
I had to argue for a resolution.	74
I was fully aware of my consumer rights at the time.	16
I was lied to about my consumer rights.	19
I learnt about my consumer rights later.	46
I had to take legal action in a court or tribunal.	17
I settled at mediation.	7
I went to a full hearing and got a court judgement.	1

I also asked members to write about their experience with their State regulator. All but one respondent said they didn't get a resolution. There were varying comments such as 'toothless tigers', 'office of unfair trading', 'a joke' .'has no teeth' and 'good as useless'. Many shared the response they got by email, claiming they were unable to force a supplier to do anything and referring them to get legal advice. This was also my personal experience at the first level of my complaint, which I later escalated twice.

So consumers are forced to then take legal action. This imposes an additional financial, emotional and physical burden on them. Only two States, Victoria (VCAT) and NSW (NCAT) have no caps on value for vehicle claims. The other States limits are too low. For example Queensland's QCAT limit is $25 000, forcing consumer to go to a full court hearing, incurring excessive legal fees, time and additional stress.

Case Study

A consumer purchased an Australian made caravan for over $120 000 direct from the manufacturer. Very soon after purchase numerous defects became apparent, including water ingress. The caravan was inspected by a certified engineer and the chassis was condemned. The caravan was over a tonne heavier than the chassis and chains were rated for. The chassis had bent under the weight. The caravan was clearly not 'fit for purpose' and had major failures. It was also likely to be illegal under Australian Standards and Design Rules.

The manufacturer refused to accept any liability or refund the consumer when the caravan was rejected. The consumer was forced to take legal action at a full court because the State tribunal limit was too low. The matter was settled at mediation where the consumer was forced to sign a non-disclosure clause that prevented them from speaking about their experience to anyone, even to government regulators. If they didn't sign the settlement offer that included this clause then the threat was that the matter would continue to a full trial.

At this stage the legal costs were already over $50 000. The quote to go to a full trial was another $100 000 or more, which they clearly did not have and so were trapped into taking whatever was finally offered. The settlement offer was well below what they paid for the caravan. They ultimately lost over $70 000. This process took a period of years. The manufacturer then onsold the defective caravan allegedly without remedying the chassis, which was clearly not compliant to Australian Design Rules or Australian Standards. The caravan was allegedly sold at a higher price than the partially refunded amount to the original purchaser.

This is only one case of many that have been reported by members of my Facebook group. The story is similar each time. Losses vary from the thousands to the hundreds of thousands. This is only the financial cost and doesn't take into account the emotional and physical toll this takes on the consumers' health. One member reported having a heart attack immediately after an altercation with a dealer when trying to get his caravan repaired properly, such was the stress.

To add insult to injury, I am told that in the majority of cases, the businesses involved have their legal fees paid by their business insurance, so there is absolutely no cost to them and no penalty for flouting the law. There is not even any adverse publicity because it is rare that a case goes to full trial and consumers are 'gagged' in settlement contracts, just like in the case of lemon cars. Therefore there is no incentive to obey any laws, including the Australian Consumer Law.

For those consumers who live in NSW and Victoria on the surface it would appear that they have better access to consumer protection through NCAT and VCAT. Whilst professing to be a low cost and fair means of seeking consumer redress, actual practice is proving that both NCAT and VCAT have both become 'quasi courts'.

Case Study

A Queensland resident member of my Facebook group (the Applicant) purchased a caravan from a Victorian manufacturer (the Respondent)in May 2015. Within a month it started to present with major failures, including severe water ingress. By August 2015 they had over 20 documented defects. After getting an unsatisfactory resolution from the manufacturer they lodged a claim in VCAT in December 2015.

At their first directions hearing in June 2016, six months later, the Respondent was represented by a solicitor without asking leave of the Tribunal. The Applicant was unrepresented and caught by surprise. The Applicant was then told by the presiding Tribunal member that they would have to attend in person in Melbourne for the full hearing. The Applicant claimed that this financially disadvantaged them as they had

to travel from Queensland. The Applicant stated that the response from the Member was "well you brought the action".

At this stage the Respondent then offered to transport the caravan to Melbourne for repairs but the consumer had lost confidence in both the brand and the actual caravan, as more and more issues kept arising. They refused this offer and decided to proceed with action as they were confident of their rights under the ACL for a full refund.

There was a second directions hearing to see the evidence of an expert report obtained by the respondent. The report was inadequate, not expert and not detailed. The Tribunal Member then directed that a negotiation conference be attended in November 2016.

The Applicant read all the Tribunal rules, regulations and legislation and found out that the Respondent was supposed to apply to have legal representation at the first hearing and theoretically this can only be granted under certain circumstances. The Applicant appealed to the Tribunal to disallow legal representation for the Respondent on the basis that they had not sought proper leave to be represented and that it was unbalanced and unfair to the Applicant. Leave to be represented also didn't appear to satisfy any of the special grounds stated for legal representation.

As a result of the appeal against legal representation their negotiation conference was cancelled and a hearing was scheduled to hear the evidence for and against representation. This occurred on 14 December 2016. The result was that the Tribunal allowed the representation of both parties under s. 62 (1) (c) of the Victorian Civil and Administrative Tribunal Act 1998, which states:

(c) may be represented by any person (including a professional advocate) permitted or specified by the Tribunal.

The Applicant also claims that the Tribunal Member stated that the request for representation was 'implied' at the first hearing and that as the applicant had not paid for a certified transcript of the first hearing that there was no evidence to the contrary. The Member also allegedly implied that the Applicant was at fault for dragging out proceedings by lodging the objection to representation and causing the cancellation of the November negotiation conference.

By this stage the Applicant was made to feel as if they had done the wrong thing by taking their matter to the Tribunal. They believe that they were made to feel inferior to the represented Respondent. They are now seeking to be legally represented, at a significant additional cost which is unlikely to be recovered.

What this now means is that in spite of the Tribunal' s published practice note of fair hearing procedures, that an element of unfairness has been introduced. The Applicant clearly felt that the Respondent was being favoured due to being represented. The Applicant now needs to engage legal counsel to be on an even footing. Those costs will be borne by the Applicant whereas the Respondents' costs are likely to be paid for by business insurance.

Hence VCAT has become a 'quasi court' where, instead of both parties being self represented, the already more powerful party being the manufacturer, is given even more ascendency by the automatic grant of leave to have legal representation. This then forces the consumer to engage legal counsel or to potentially find themselves treated disparagingly by both the Tribunal and the representative for the Respondent, with no idea of how to defend themselves. This is in spite of the practice note stating:

> Members have a particular responsibility to assist self-represented parties (sometimes referred to as litigants in person) to the extent necessary to ensure a fair hearing.
> (https://www.vcat.vic.gov.au/sites/default/files/resources/practice_note_vcat_3_fair_hearing_obligation-1-1-2013.pdf Accessed 14 December 2016).

A similar scenario is also being acted out in a current NCAT matter. It makes a mockery of the stated objects of NCAT which is to "resolve the real issues in proceedings justly, quickly, cheaply and with as little formality as possible" (*Civil and Administrative Tribunal Act 2013 (NSW)* s. 3 (d)).

I argue that if the dealer and/or manufacturer felt capable to deny a consumer their legal right to a refund or replacement under the ACL without legal representation, then they should be made to defend that decision themselves also without legal representation at least at the first level of action taken. That was the original purpose of the small claims system, for two parties to have an impartial mediator to settle their dispute before it was escalated to a full court with all the costs and stress that goes along with that.

The quality of the Tribunal experience for a consumer is also highly dependent on the Member hearing the matter. Some consumers, such as Greg Ingold, are getting full refunds (http://www.dailytelegraph.com.au/news/opinion/public-defender/public-defender-greg-ingolds-dogged-pursuit-of-justice-reaped-rewards-in-case-of-dud-caravan/news-story/2f2be0a8bbd3e40c06783ec21eda2289 Accessed 6 December 2016). On the other hand, one of my members, was told to withdraw their matter because the Tribunal was unable to rule on legal matters for consumer protection laws. As a self represented Applicant, they had no idea that this was not the actual case and dutifully withdrew their matter. The Applicant also became seriously unwell during the hearing and rather than it being adjourned, the Applicants daughter was asked to take over, in spite of having less knowledge of the full facts of the case. The Member then said they had two years of warranty to get repairs and sent them away without a ruling. The two years are almost up and the manufacturer continues to refuse to repair the caravan because there is no penalty to them for taking this stance. The consumer is elderly and unwell, with limited financial means.

This also demonstrates that there is a lot of pressure on consumers to accept the offer of repairs as a full remedy, in spite of having the right to a refund after proving major failures. There appears to be a consensus that if repairs are offered then the supplier is doing 'the right thing'. However by the time this occurs there are often so many defects that the consumer has lost confidence in the integrity and durability of the product and brand and simply want their money back. Often the consumer will actually accept repairs in the first instance but when they find that these repairs are merely 'patch up jobs' or have reduced the value of their caravan, they decide it is time to seek a refund.

There also seems to be a consensus that 'compromise' is necessary, when the ACL doesn't state anywhere that a consumer must compromise. Consumers regularly are offered less than a full refund as settlement in mediation because of 'use' of the product. They may well have had some use of the product but it has been interrupted, inconvenienced and stressful. They have often lost any enjoyment of the product. The onus always appears to be on the consumer to wear the financial losses of purchasing a defective product, rather than the supplier or manufacturer, who originally made a profit in that supply.

I fail to understand how this can be considered acceptable by regulators and the judiciary, when the ACL mandates that a product must be 'fit for purpose', safe, defect free, durable, as described etc. When that is clearly not the case, why is the consumer then also faced with financial and non financial losses because of failings in the regulation and enforcement of the ACL, while the suppliers and manufacturers argue that the ACL places unfair burdens on them? I would argue that for purchasers of expensive products such as caravans, where they turn out to be lemons the burden of loss is far more likely to be borne by the consumer.

These are just a few of the many similar stories and experiences that members post on my Facebook group page, with evidence including photos and expert reports. What I want to demonstrate with these case studies is the lengths that consumers need to go to in order to exercise their rights under the ACL.

Hence there is an urgent need for 'lemon laws' for all vehicles, including caravans. There are a number of good reasons for this.

Firstly it will give more certainty to both the consumer and the dealer/manufacturer about their rights and responsibilities. Secondly, it will give a consumer more certainty that their purchase will not only be covered by the ACL but that it would be enforceable without any additional financial burden to them. In the multiple multi billion dollar industries of vehicle manufacturing, this is becoming increasingly important to the Australian economy, as the impact of social media has been well proven to influence consumer purchasing decisions, including not to upgrade their current vehicle due to the fear of purchasing a 'lemon' and what that will mean to them financially, emotionally and physically. Consumers are no longer prepared to play 'Russian Roulette' with their life savings.

This represents a significant economic loss to those industries, that can be alleviated with a proper definition of a lemon vehicle and low cost enforcement options for consumers. Cost recovery should be based on the 'costs follow result' principle and should be kept at a reasonable level. This too would deter manufacturers from denying consumers their rights and also stop any frivolous claims by consumers.

Implementing lemon laws for ALL vehicles would also alleviate the inconsistency of the definition of a 'motor vehicle'. For example, in Queensland a caravan is classified as a motor vehicle when it is attached to a car. This is also the case in Western Australia. Other States vary. Under the Personal Properties Securities Act 2009 a caravan is defined as a motor vehicle (https://www.ppsr.gov.au/changes-definition-motor-vehicle-under-pps-act Accessed 15 December 2016). This demonstrates that a nationally consistent approach would require dropping the use of the word 'motor' and simply using the term vehicle to ensure that consumers in all States and Territories are equally treated under the law.

In the Interim report, CAANZ states:

> Generally, industry specific regulation would only be preferable to a generic approach where it can be demonstrated that there are issues particular to that industry, and that generic approaches (such as Option 1 below) would not adequately address the problem.

I believe that I have provided significant evidence that there are particular issues in the caravan manufacturing industry that require a specific approach. This is especially important because in many cases the consumer falls into the category of 'disadvantaged', being elderly, disabled, a carer, unwell or retired with limited access to future funds. Access to justice must follow the NCAT principle to "resolve the real issues in proceedings justly, quickly, cheaply and with as little formality as possible". This should be the guiding principle for any specific lemon laws that are implement and for any vehicle claims tribunal.

DEFINITION OF A LEMON VEHICLE

In response to s. 2.1.5 industry Specific Terms

Recommendation: That more than 10 minor defects or one major or safety defect is part of the definition of a lemon vehicle and also a major failure under s. 260 of the ACL.

There has been substantial input into the definition of a lemon vehicle. These include the number of times a defect is repaired without success, the amount of time off the road for repairs and the seriousness of the defect/s. This in can turn trigger the 'major failure' remedy where repairs are not quickly or easily undertaken.

One definitional component of a lemon vehicle that has not often been discussed is whether a quantity of minor defects can in fact be considered to constitute causing a vehicle to be a lemon and also triggering the major failure remedy. This issue was addressed in Boyd v Agrison in the Victorian Magistrates Court in front of Justice Ginnane.

> Para 113: I have given consideration to whether or not in light of my principal findings, it is necessary that I make specific findings in regard to each of the claimed defects complained of by Mr Boyd in the Amended Statement of Claim. I do not believe that it is necessary for me to do so however if I am wrong in this conclusion then I am satisfied that otherwise than with respect to those matters complained of and said to constitute

> a major failure by reason of non-compliance with Australian Standards and Design Rules, the failings are so extensive and so prevalent across the tractor as to themselves taken together to amount to a major failure. (*Boyd v Agrison Pty Ltd* (2014) Magistrates' Court of Victoria)

In my view it is clear that multiple defects, even minor, lead a consumer to have no confidence in the manufacture of their vehicle, its integrity and durability. Most of my members report more than 10 defects, and many with more than 30, in what they perceive to be their lemon caravans. Usually there are one or two major safety related defects, or water ingress, and the rest are relatively minor and repairable. However their perception of their purchase, which often becomes their home, is tarnished by these defects. They lose the joy in their purchase and often harbour feelings of disgust and hatred toward the product that they are then trapped with. They have often paid a substantial sum of money, in many cases over $100 000, and expect the quality and durability to be significantly higher than they have been presented for that money. To them it is a lemon and they want to be rid of it. Unfortunately, as I have and will argue, that is easier said than done.

See Appendix One for quotes from members when asked how many defects constitute a lemon and how much warranty should be available for caravans.

REGULATORS AND ENFORCEMENT, OR LACK THEREOF

Responding to Chapter 3 of the Interim Report: Administration and Enforcement

Recommendation: Regulators must be given enhanced powers of enforcement and use them. They need to be properly funded by their respective governments to ensure that all consumers have access to timely redress and are not simply told to 'seek legal action' when the first level of conciliation fails to produce a result.

Recommendation: There needs to be a penalty system for regulators who breach their regulations, policies and procedures in refusing to enforce the ACL where there is clear evidence that they can do so. There should be a Regulators' Ombudsman or similar that has the power to direct regulators to enforce the ACL where they have previously refused on inadequate or unsubstantiated grounds.

The major reason why the ACL is failing consumers of expensive purchases is that there is little to no enforcement by any regulator. I have proven that with my own case and outlined this in detail in my submission to the Issues Paper. I am still fighting for a refund 14 months after lodging a claim with the Queensland Office of Fair Trading. I am told that the enforcement department is, so far, unwilling to act, in spite of reams of evidence of multiple breaches of the ACL, including s. 106 which states that a supplier must not supply a product that is non compliant to mandatory safety standards. The penalty for this breach is up to $1.1 million. I am also told on good authority that in five years of the operation of the ACL this section has never led to any prosecutions, in spite of numerous product safety breach recalls.

For the record I complained to the Queensland Office of Fair Trading, the ACCC, the ACCC Product Safety Branch, Vehicle Safety Standards, Energy Safe Victoria and the Queensland Electrical Safety Office. After months of escalating complaints and keeping up the pressure, the ACCC Product Safety Branch and Vehicle Safety Standards are both now investigating.

Energy Safe Victoria (ESV) investigated, found the caravan manufacturer's factory non compliant to mandatory Australian Standards and the only action they took was to tell them to get compliant in four weeks. The manufacturer had allegedly been making non compliant caravans for at least 17 months prior to the inspection with hundreds of caravans potentially affected. ESV refused to prosecute or do a recall. I escalated the complaint right to the Director of Energy Safety and he agreed with that decision on the basis that in his opinion the breaches were 'technical' and not 'safety' related. I have had a number of licensed electrical workers inform me

of the potential safety hazard from these breaches. I am now going to escalate my complaint to the Victorian Ombudsman.

Suppliers and manufacturers are therefore given a strong signal that in spite of the high pecuniary penalties no action will be taken against them. There is no deterrent against breaching the ACL. Add this to the enforced secrecy surrounding the extent of the problems with defective caravans and it is not difficult to deduce that the growing number of consumers buying caravans are playing 'Russian Roulette' with their life savings.

Many of my members tell similar stores about their complaints to consumer affairs, offices of fair trading and the ACCC. Many are saying they won't even bother any more in wasting their time, in spite of me urging them to do so to add to the database of similar complaints. From reports by my members, the consumer received no satisfactory outcome except for one lone case.

The complaint process goes like this.
1. Complaint submitted.
2. Officer responds that they will contact supplier.
3. Supplier refutes all allegations.
4. Officer says that they tried to resolve the matter and to now seek legal advice.

There is one crucial step missing. The right of reply by the consumer to give evidence to refute the supplier's claims. The supplier simply gets away with saying whatever they want, refusing all claims and blaming the consumer without any further questions or investigation. This is exactly what happened in my case and has been repeated time and time again.

I escalated my complaint because I was not satisfied with this response. A more senior officer reviewed all the documentation but did not do so very carefully because he chose to make accusations against me that were clearly untrue. He appeared to favour the supplier over me and my complaint. I was made to feel like the perpetrator and not the victim. This was extremely upsetting after all I had been through with the caravan, which was at the time my home, that was falling apart around me.

I escalated my complaint again and it reached a senior manager who this time had compassion for my situation and made further attempts to conciliate an outcome. However the supplier and the dealer still refused to abide by the ACL and my choice of a refund. So my case was closed. End of story.

However, I requested that it be reopened and further enforcement options explored, considering the level of evidence that I had supplied. My case was reopened but to date, in spite of many enforcement options open to them that don't require taking legal action, as stated in their recently updated policy and procedures guide, they still refuse to enforce the ACL.

My case is not unique and the supplier has done the exact same thing to another consumer who purchased an even more expensive caravan than mine. In spite of these two cases having products worth nearly $200 000, purchased from the same supplier, made by the same manufacturer, with similar defects and non compliances to Australian Standards, the QLD OFT still will not act.

In cases such as this, regulators need to be held to account for their actions. If this doesn't happen, they too will simply stonewall consumers, just like the suppliers and the manufacturers. It is only by penalty that behaviour changes, whether this be economic, custodial, public naming or loss of employment. There needs to be a penalty system in place for regulators who refuse to enforce the ACL when they can clearly do so under their regulations, policies and procedures. Regulators have numerous enforcement avenues available to them that they rarely use, especially in cases of very defective or lemon vehicles.

When regulators refuse to act, especially on repeated reports of serious safety failures, they also need to be held accountable for the consequences, just as any individual or corporation would be. If a product fails and causes

injury or death and a regulator received a complaint or complaints and did not investigate, then they are as liable as the manufacturer for that death as it may have been prevented by timely investigation and recall.

DURABILITY

Recommendation: Durability needs to be openly declared by manufacturers so that consumers know exactly what they are purchasing for the price they are paying.

Older caravans can last 40 or more years. Newer caravans are starting to break down and leak within a few years yet cost far more than their predecessors. This is a fast growing market sector that is not regulated in any way. Manufacturers can self certify if the vehicle is 3.5 tonnes or less. There are many 'fly by night' manufacturers coming and going, leaving consumers without any redress for their severely defective caravans. Phoenixing is also rampant, where company directors of a failed company simply start a new one, often trading under the same name, for example Crusader Caravans. This voids warranties and the consumer rights of purchasers from the bankrupt company.

I asked one manufacturer directly how long they would expect one of their caravans to last and they responded, it depends on how it is used. However in their advertising they make it very clear that they believe that their caravans are at the top of the range in quality and durability and can be used off road in extreme conditions. However their warranty states otherwise.

Further, manufacturers of caravans rarely provide more than a twelve month 'warranty against defects'. This gives no indication at all about the durability of the product and in fact can often confuse the consumer as to their consumer guarantee rights. More often than not I hear caravan owners either saying, or being told 'the warranty has run out so they won't fix it' or ' the warranty has run out so I can't get it fixed and have to pay for it myself'.

WARRANTY AGAINST DEFECTS

Responding to s. 2.1 6 of the Interim Report: Disclosure of rights under the *ACL*

Recommendation: Warranties against defects must only contain statements of rights that are in addition to rights legislated under the ACL. The warranty should contain clear statements of consumers' ACL rights including a durability period. In the case of a vehicle, this would be under the conditions for which it was advertised and sold ie. bitumen only, semi off road, fully off road, with clear definitions of what this means, with examples. This warranty should be supplied to the consumer at the same time as the sales contract so that they can read the terms of the warranty prior to purchase.

It is my view, based on reports by my members, that 'warranties against defects' are used by manufacturers to imply a limitation of rights where consumers don't know their full rights under the *ACL*. With the lack of certainty about durability and how long consumer guarantees apply to caravans, suppliers and manufacturers can very easily say no to warranty repairs after the initial warranty period is over and leave the consumer without any means of redress. Unlike cars, where warranties against defects are now between five and seven years, caravan manufacturers by and large offer 12 month warranties for products that are now extremely expensive and multiple times the cost of the average car.

Many of my members have reported being told by the supplier or manufacturer that their 'warranty is over' and so they have to pay for repairs themselves. Without any standardised durability statement that their caravan should be fit for purpose for x years they have no way of proving that they still have a consumer guarantee claim. In addition, suppliers and manufacturers are very quick to accuse the consumer of mistreatment of the vehicle, which

is also not easy to disprove. A vehicle may have red dust or mud on the chassis simply by driving down a gravel drive that is wet, yet the consumer is accused of using the vehicle for inappropriate 4WD conditions.

There needs to be much more clarity surrounding the period under with the ACL can be invoked for consumer guarantees.

THE REJECTION PROCESS AND HOW IT IS REJECTED

Responding to 2.1.3

There is a very clear process that a consumer must go through in order to reject the goods and receive a refund or replacement, their choice. I believe that it is clear from this process that the original legislators who authored the ACL meant this to be a clear and simple process that didn't require legal action to enforce. This is made clear through other provisions in the act that specifically state 'by action', such as to seek damages or compensation. However the rejection process does not state that at all.

Under s. 259 (3) of the *ACL*:

(3) If the failure to comply with the guarantee cannot be remedied or is a major failure, the consumer may:
  (a) subject to section 262, notify the supplier that the consumer rejects the goods and of the ground or grounds for the rejection; or
  (b) by action against the supplier, recover compensation for any reduction in the value of the goods below the price paid or payable by the consumer for the goods.

Note that it doesn't say 'by action' in part (a), only part (b). So this is the first step in a clearly outlined process that was not intended to force a consumer to take action against the supplier to get a refund or replacement for a severely defective product.

Section 260 very clearly outlines five measures of a major failure, four of which are evidentially based. The fifth one, the reasonable consumer test, would be proven in every single case of lemon caravans I have heard about. Who in their right mind would pay tens of thousands of dollars for a new caravan with multiple defects, serious or otherwise if they had known about them in advance? Not one of the members in my group, and I say that with confidence because many members have joined to research what ***not*** to buy based on the stories of the lemon caravan owners, and the lemon caravan owners state categorically that had they known they would never have purchased that caravan.

Step two in the process is set out in s. 263 Consequences of rejecting goods. This is a very clear set of instructions to the consumer after they have notified the supplier of their rejection of the goods.

(3) If subsection (2)(b) applies, the supplier ***must***, within a reasonable time, collect the goods at the supplier's expense.
(4) The supplier ***must***, in accordance with an election made by the consumer:
  (a) refund:
    (i) any money paid by the consumer for the goods; and
    (ii) an amount that is equal to the value of any other consideration provided by the consumer for the goods; or
  (b) replace the rejected goods with goods of the same type, and of similar value, if such goods are reasonably available to the supplier. [my emphasis]

Note again, there is no mention of 'by action'. It states that the supplier ***MUST*** collect the goods and refund or replace according to the election by the consumer. If they don't they are immediately in breach of the ACL.

If the supplier doesn't believe that there is a major failure, it should be up to them to provide that evidence, properly, to the consumer. For example, by an independent engineer's report that they pay for, not just an inspection by one of their own employees or linked repairer who dutifully says 'oh that is easy to repair', giving grounds to deny the refund request.

In the absence of that evidence they must abide by the ACL. They shouldn't be able to just stonewall and say no, go away, which is what is happening in the majority of cases, my own included, where the dealer wrote: "There is no offer of any refund , firstly my company has not and will not have the funds to offer you a refund" in August 2015 and "Please be clear a full refund you have requested is not on offer at this time" in October 2016. (Yes I am still fighting for a refund after 16 months for a caravan that is not roadworthy, not compliant to Australian Standards and has over 30 defects.)

So the burden of proof should actually be reversed. If the consumer has followed all the correct procedures and had their claim rejected by the supplier, the onus must be on the entity rejecting the claim, who may be breaching the ACL in doing so, to prove that they were justified in rejecting the claim, rather than the consumer having to prove, for a second time and at additional expense, by being forced to litigation, that they have a product with major failures. The consumer is in a completely compromised position.

The reverse burden of proof is generally the scenario that happens in the case of small portable goods which are returned to large chains, such as Harvey Norman, Kmart etc. The consumer returns the defective good, a salesperson tests it, confirms that it is defective and refunds the money or offers a replacement.

The process should be no different for a vehicle. Yes the dollar amounts are larger but so are the profit margins. As these are the dollar amounts they are trading in, day in and day out, and this becomes normalised to them, there should be no difference in the way that they respond to a customer's request for a refund. In fact, it just puts them back at a zero sum, as if they hadn't sold the product at all. They received $X and supplied a product, they gave back $X and received back the product. It is a lost sale but after repairs, if appropriate, it is often the case that they recoup their original wholesale investment.

If not, is then a matter for the supplier to receive compensation from the manufacturer, under s. 274 of the ACL for any costs incurred in this transaction. This is a much more equal relationship than a consumer taking on a corporation and it is likely that business insurance will pay for all legal costs.

I believe that this was the original intention of the rejection process of the ACL and somewhere along the line it has become skewed in favour of the supplier and manufacturer rather than the consumer.

Once again I will state, that I believe that the legislators, when they legislated the ACL, they did not intend for a consumer to have to take legal action against a supplier. The ACL was supposed to be a big improvement in consumer rights and empowerment and to provide confidence in the market place. In the case of lemon vehicles, it has failed spectacularly.

NON DISCLOSURE AGREEMENTS AND DEFAMATION THREATS

Responding to 2.1.3 of the Interim Report: Barriers to accessing refunds

Recommendation:
That it be clearly inserted into the ACL that non disclosure agreements are not legal and have a pecuniary penalty imposed for adding it to any settlement contract or trying to enforce one.

In the Interim Report, CHOICE noted

> that the level of public information and evidence available to consumers is diminished where confidentiality (or non disclosure) agreements are used. Such agreements may provide consumers with compensation or

> some other remedy on the condition that the consumer does not disclose the issue. CHOICE submitted that, in the context of motor vehicles, there is already a 'power imbalance' between consumers and traders and that '[d]enying them the right to talk about their problems and share knowledge with regulators, advocates and other consumers exacerbates this. (p. 51)

Lemon vehicle owners are amongst a unique consumer group that in order to receive their legitimate right to a refund under the ACL they are also forced to sign onerous non disclosure agreements (NDAs). I say forced because if they do not do so then the threat is there that the matter will go to a full hearing at a possible cost of hundreds of thousands of dollars to the consumer without any knowledge of a better outcome. There is no fear on the part of the supplier or manufacturer, I have had it confirmed that by and large their business insurance will pay their legal fees. Their only fear is publicity about the defective lemon product they have produced and how they haven't looked after their customer under the ACL, leading to loss of sales.

Some of these non disclosure agreements are so onerous that the consumer is forbidden for life to talk about any aspect of their traumatic experience of owning a lemon vehicle. In addition, in spite of laws to the contrary, they are often gagged from reporting serious safety issues and illegal practices to government regulators. They do not know these laws and so believe they are fully and totally gagged.

If the non disclosure agreement is breached by the consumer, no matter how innocently, action can be swift. So on top of losing money in legal fees and money because it is rare a full refund is offered as settlement, and suffering years of frustration and trauma and health issues by owning a lemon vehicle, they are then faced with more legal fees to defend themselves against the NDA breach. I know of a case right now where this has happened. The consequences are devastating.

Some NDAs pretend to be fair by including an NDA for the supplier or manufacturer, where they will not disparage the customer. However this is merely window dressing as there is no reason for them to be disparaging consumers, as opposed to the clear economic effect of consumers telling the truth about their lemon vehicles.

Then there are the defamation threats for telling the truth about your lemon vehicle. I am currently in the process of being subjected to this bullying tactic by the solicitors representing the manufacturer of my caravan.

The solicitor joined my Facebook group, unbeknownst to me, trawled through all my posts about my lemon caravan and sent me a letter claiming defamation. Three days later, when I hadn't responded due to poor health exacerbated by the stress of the letter, the threats intensified. I did a lot of research on defamation laws and I discovered that they had 10 or more employees and couldn't sue for defamation. They changed the claim to 'injurious falsehood' and claimed individual defamation against the company director.

I was then told that I only had one day to reach a settlement with the manufacturer (who had yet to make any financial offer) and cease discussing my lemon caravan or action would commence. Late that same day I received a court writ by email, claiming it had been filed that day and was waiting to be served in person. However it was also implied that if I negotiated a settlement with them about my lemon caravan, that the legal action may not be followed through. The terms for negotiation are such that I would never agree to them and include not only gagging me but requiring me to make positive opinions about the manufacturer available online. In my opinion, this is clearly a bullying tactic to force me into an unsatisfactory settlement for my lemon caravan. As I am a pensioner, I have no way of affording legal representation and so the power imbalance is exacerbated.

I then found out that they lied and the writ had not been filed. It was clearly used as a bullying tactic to scare me into accepting what was likely to be an inappropriate settlement offer and some onerous terms.

I am not the only one to be threatened with defamation action. I know a few others. The vehicle manufacturing industry has been very successful in silencing critics until recently, with the advent of social media campaigns such as Destroy My Jeep.

The caravan manufacturing industry has been even more successful in hiding away their appalling record of defective, dangerous caravans and mistreatment of consumers.

There is very little case law because most cases are settled at mediation, with NDAs being mandatory to ensure no publicity. The pressure to settle is immense. Not only will it cost the consumer tens to hundreds of thousands to go through to a full hearing, I was advised by a solicitor that:

> "As with any Consumer Law case, we would not be able to guarantee the amount of refund you are entitled to. The starting point is to work from a full refund of 100%, but all case law in the Federal Court indicates that Judges have very powerful discretion to reduce this percentage for any apparent us of the vehicle you have had in the interim. Even if the vehicle was not sold to Australian Standard, and we agree that is absolutely your right to purchase a vehicle built to standard, the Judge might (and probably will) adjust any refund you receive down if there was still some use of the caravan...
>
> Furthermore, throughout the court process there may be offers to settle made by the manufacturer that could potentially exceed the refund amount - to which if that offer was rejected then you would be potentially liable for certain costs of the legal team of the manufacturer in defending the claim past that date of the offer (if their settlement offer was a larger number than final judgement)."

So in spite of the ACL stating that all monies paid must be refunded, this appears to not be the case if the matter is taken to a full hearing. The risk to the consumer is extremely high at an extremely high cost that is not equally shared by the supplier or manufacturer. The imperative to agree to settle, in spite of having to sign an NDA, is not a choice but done under duress. The power imbalance is extreme.

Recommendation:
That it be inserted into the ACL that no depreciation is to be applied to the full refund amount for a period of two years of use of the product after purchase, not including any time out of service due to defects. After that a small sliding scale of depreciation with transparent and clear calculations be used, so long as the product would have depreciated normally under fair market conditions.

Some products do not depreciate markedly. Caravans are one of those products. As the prices escalate each year, late model second hand caravans are being sold for near to their original purchase price.

Caravan owners Facebook groups and forums, in addition to the manufacturers and suppliers Facebook pages and web sites, actively remove negative reviews and block the offending member from the group or page. There is little to no place for consumers to get the full story about the brand of caravan they are considering or have the information to make a fully informed choice. Not only are consumers blocked from making negative reviews or telling their lemon story, often they are vilified for doing so, being called whingers or toxic or worse. Manufacturers have been very, very successful in building brand loyalty, similar to that in the motor vehicle industry. Lemon owners are usually not believed, are blamed for creating or exaggerating defects or accused of being aggressive in their negotiations for repairs or a refund. This adds to their distress and was the reason I started my group 'Lemon Caravans & RVs in Aus', as I had been subjected to this in two groups.

Members of my group repeatedly state the positive value of my group to consumers, both as a 'victim support group' but also a place where consumers can read the real facts about lemon caravans, which brands appear to be serial offenders and see for themselves the devastation that owning a lemon caravan can have financially, emotionally and physically. I take a great risk in allowing this to happen, as the administrator of the group and possible 'secondary publisher'. However I believe that it is essential for consumer protection and an effective market place that consumers can access all sides of the story about a brand. To the best of my ability I ensure that all stories are true and have full evidence, including photos. Members regularly email me more evidence so that I have some added level of protection.

However, the manufacturer of my caravan has sought to silence me, has demanded that I delete my group, has claimed defamation and injurious falsehood, thus claiming to be the victim, rather than abide by the ACL and support the supplier to refund me the price of my unroadworthy, unsafe, non compliant to Australian Standards, very defective lemon caravan.

SHORT POINTS

Unfair contracts
This section should be applicable to all contracts not just 'standard form contracts', such as Deeds of Settlement, to ensure that consumers don't unwittingly sign their legal rights away under duress.

Definitions
Terms used in s. 260 such as '***unsafe', 'easily and within a reasonable time',*** need to be placed in the definitions and more clearly explained.

The term '***body corporate'*** needs to be changed to corporation or company and added to the definitions to explain that it means any body that is subject to the *Corporations Act 2001*, including commercially trading companies, trusts and bodies corporate. Under that Act a body corporate is usually an association of members with a constitution. This means that the higher pecuniary penalties applied to bodies corporate my be argued against by a commercially trading company with directors. See this link for an example of the differentiation made between a company and a body corporate: http://asic.gov.au/regulatory-resources/forms/forms-folder/202-application-for-registration-of-a-body-corporate-as-a-company/ (Accessed 16 December 2016)

Injury should include a definition to include emotional and mental distress as well as physical and financial injury. This is very often complained about by my members. The emotional distress and toll on their health can be significant, especially as cases drag on for years without resolution. Compensation should be available for this as 'loss of enjoyment' both of the product and of life and 'pain and suffering'.

The term **rejection period** is far too ambiguous and needs much more clarity so that consumers do not have their rights withheld on a technicality. I argue that there should not be a 'rejection period' per se as some latent defects may take months or even years to surface or be noticed, such as water ingress in a leaking caravan. Any defect that is not attributable to normal wear and tear or misuse of the product should be covered by the ACL for the reasonable period of its durability, which I have argued also needs to be given more clarity.

Market research
Market research into the real nature of the 'reasonable consumer' needs to be conducted across a range of product groups rather than relying on the subjective judgement of the consumer, the supplier, the manufacturer or a judicial representative.

Pecuniary penalties
Some penalties are stated 'up to' an amount, some have a mandatory amount. I recommend that all penalties should be absolute and prescriptive to ensure consistency in application, rather than leaving that discretion to individual judiciary. If the purpose of the penalty is to deter breaches then this is not done where manifestly inadequate penalties are applied, as has been happening. Pecuniary penalties also need to be increased to create a severe deterrent from breaching the ACL. One million dollars may seem a lot, but not for a medium to large caravan manufacturer making profits many times this.

Payment for returns for warranty repairs
The original submission to the Issues Paper by the Caravan Industry Association of Australia made a recommendation that:

responsibility for the cost of returning the full product should be borne by the consumer in all cases except where the size of the failure has been quantified or the supplier agrees.

The consumer should not be left financially worse off because they purchased, through no fault of their own, a defective product. Just as in the case of rejecting a defective product with major failures, where the supplier is required to collect a good that is too large or difficult for the consumer to return, the same should be the case for all warranty repairs. This is especially so for caravans, which may become unsafe and unroadworthy significant distances from the supplier or manufacturer. This can leave the consumer thousands of dollars out of pocket for transportation costs. The supplier and manufacturer made a profit on the sale, they decide their profit margin and can build in allowances for these costs based on historical evidence of how many warranty repairs require return to the manufacturer or supplier, rather than being repaired locally. The consumer has a right under the ACL to a product free of defects irrespective of the type and complexity of that product. Why then should the consumer be penalised financially in order to have that product made fit for purpose, like it was supposed to be in the first place?

Choice of repairer

It needs to be made much clearer that a consumer has a choice of repairer for warranty repairs and are not forced into going to 'approved repairers'. Often these repairers are 'approved' because they will do the bidding of the manufacturer and 'patch up' rather than properly repair defects, creating an ongoing cycle of defects and 'repairs'. Those repairers who try to do the right thing and repair properly often have their quotes rejected as 'too high', leaving the consumer to have to seek further quotes. Manufacturers are reported by repairers to only pay what it would cost them in a factory setting, without any allowance for the increased expenses to repairers outside of this setting.

These issues have been widely reported by my members and is especially important for caravan owners because of the nature of the product being that they may be some considerable distance from an approved repairer, the supplier or the manufacturer.

General safety provisions

I agree with the many statements in the Interim Report that there needs to be greater attention to a product being safe and both 'safe' and 'unsafe' need to be clearly defined. If a vehicle is or becomes unsafe as a result of defective manufacturing, the consequences can be catastrophic. Being unsafe should remain as a major failure and entitle a consumer to an immediate full refund with the unsafe product being recorded by serial number or VIN number on a register that is publicly available. Recalls should become mandatory and not discretionary and should be enacted swiftly. Any product that is not compliant to mandatory safety standards should automatically be deemed unsafe for the purposes of claiming a refund. All unsafe products that cannot be properly repaired should be destroyed, not onsold to some other unsuspecting customer. All unsafe products that have been repaired should come with a declaration that this has been done so the consumer is fully aware of what they are purchasing.

Safety related offences must be made to be criminal offences with both the corporation and decision making individuals liable. This would be consistent with the *Motor Vehicle Standards Act 1989*.

APPENDIX ONE

I asked my members to comment on how many minor defects they would consider to classify a caravan a lemon. I also asked them to comment on how long the warranty should be. The questions posed were:

"How many minor defects do you think you would put up with before you believed your caravan to be a lemon. 10..20...30.. ? ie how many before you would start wondering what sort of quality control they had and what else is going to break down the track.

Next question. How long do you think a caravan should last? Lets say you paid over $70k for it. Of that period, how long do you think a dealer should be liable for repairs under warranty? Remember cars mostly now have five to seven year warranties."

Here are some sample responses.

"New caravans should not have faults, construction faults should be picked up by quality while being constructed and before delivery, the current attitude of she'll be right mate is not good enough and should not be tolerated by the power that be. Structural, design fault should require the caravan to be recalled regardless of time, my Landcruiser is still subject to recall if a design, structural fault is identified in the model.

"When people buy a van, a lot of emotion and dreams are often attached to the purchase. Our RV industry is very substandard."

"10 max maybe on the nigglies....safety related making the vehicle unsafe would be one."

"I have many and after the washing machine and towel rail not screwed properly and then my drawer made me wonder how many other things. It's hard to answer if minor or major but minor maybe 5 to 10 ive had maybe 20 but started to wonder close to 10"

"Well I've got 25-30 issues ranging from poor design, inconvience, and stuff that just doesn't function properly, nothing unsafe as far as i can tell but the real reason I can it a lemon is because of the manufactures attitude to fixing the issues"

"Unfortunately these Dealers and Manufacturers flaunt the ACL Laws with impunity."

"10 & 5..." (defects, warranty in years)

"10 I think should be a limit..."

"Like a car, defects can be categorised from nuisances and inconveniences, all the way through to rendering the RV unroadworthy.
A lemon IMO, would be something which presented inherent, consistent or persistent faults in one or more, or a combination of the RV's systems/structure OR the unwillingness of responsible parties, including previous owners or certifying authorities to rectify faults that should not have been present when ownership was transferred.

Made sense to me.
Is it broken?
Who is responsible for fixing it?
Are they fixing it?
Why not?

=LEMON

Is it financially feasible to fix?
Should it be replaced/refunded?"

"Any fault that is safety related..wiring..susp..incorrect weights...should immediately be declared as unsafe with registration suspended .It should then be individually assessed by a registered assessor ,same as with an insurance claim, cost of report to be at manufacturers expense..purchaser has ownership of completed report"

"Taxation Ruling TR 2000/18 lists the effective life of a caravan as 6 2/3 years generally and 10 years if is used only within a caravan park." (relating to depreciation)

"5 years warranty 3 leaks 7 minor things"

"Tracy, the type of defect or repair should carry more weight than the number of defects. For example, chassis issues, be they defective welding or poor design, should carry more weight than 10 cupboard door hinges falling off. As for warranty periods, if you spend over $50K on any van, it should be a 5 year warranty minimum."

"Yeah I think by about 10 I would start to fell very let down and disappointed .... all depends on fixes I suppose ... A water leak would just devastate me but other things like stripped screws or missing ones or cupboards needing to be adjusted that would just be a typical expectant from myself"

"An extended warranty period would be awesome, but would likely come with additional demands on the owner I'm betting. Van builders would want certain assurances that owners were looking after their RV's and not abusing them. Can you imagine the dramas around the paperwork for a warranting an off road van that is 'actually' used off road?"

"I use my car every day and I have a 5 year warranty,thats 1825 days over a 5 year period.I use my van for one month a year that equates to 112 days.when I do use it we travel 500 k and camp and return for another 500k. Given the light use that most vans get it would not be unreasonable to have a 3 to 5 year warranty"

"I think the wrong view has been taken on warranty periods. Remember, warranties on cars is not mandated to be say 5 years, but driven by the competitive market. Manufacturers set the longer periods to gain sales. If the RV industry doesn't think they need to stand out by offering 5 year warranties, they won't. The other thing to remember is RVs are put together using low quality components and often just held together with staples. The manufacturers even try to get out of warrantying parts they use and push buyers back to their suppliers."

"10 I think should be a limit..."

"10 is a good number, 5 is better and minimum of 3 years"

"Defects are always a very difficult thing to manage. My profession is as a project manager for a commercial construction company so as such we see the huge variation in what constitutes a "defect" because acceptance levels vary so much between different individuals. However having said that, anything that detracts from the advertised performance or what may be reasonably expected from such a product could reasonably be considered a defect.if the performance of a marketed product fails to deliver the advertised or reasonably expected (industry rated) standard then you should be able to argue it is not of " merchantble quality "

Usually gentle persistence is the best way forward, however some businesses like to play the game. Stay strong and use ever resource available, don't be afraid of putting the heat on said resources, such as consumer affairs- they are paid to help YOU"

"I think anything over seven defects is a [lemon emoji] vans should have a minimum of five years warranty , but think it should be ten years , shouldn't have to take it back more than four times either especially for the same things"

APPENDIX TWO