

## CARAVANS — INTERSTATE CONSUMER WARRANTIES

### *Grievance*

**MR D.T. PUNCH (Bunbury)** [12.07 pm]: I thank the Minister for Commerce for accepting this grievance about the ability of people to exercise consumer warranty provisions for caravans purchased interstate. Caravanning has been enjoying a huge increase in popularity over the past 10 years, with more people retiring from work and investing their savings in caravans, which range in price from being very modest to well over \$100 000. Caravans are a pretty significant investment for many people looking forward to a retirement lifestyle, and for many people they can be their last major investment.

Mr and Mrs Weymes from my electorate are one such couple. In 2016, the couple purchased a new caravan for \$75 000 from a retailer in Adelaide. The caravan was built by a manufacturer based in Victoria. They bought the caravan because they wanted to commence their trip in the eastern states, travel around Australia and return to Western Australia. When the Weymes took delivery of the van, they started to notice serious towing problems, with the caravan lacking stability when tracking behind their vehicle. It turned out that although the compliance plate on the caravan stated a ball weight of 120 kilograms, there was minimal weight on the tow ball. When they complained to the retailer, the retailer advised them to return the caravan to the Victorian manufacturer for repair. Like many people who purchase a caravan in the eastern states, they had no accommodation. The Weymes had no option but to take the van on a very slow trip back to Victoria for repair. The manufacturer then shifted the water tanks from above the axles to the front of the caravan. Mr Weymes pointed out that this would have made no difference when the water tanks were empty. The manufacturer put on higher tyres. They did not weigh the empty caravan but installed a new compliance plate.

The Weymes continued their holiday, but instability in the van remained. They began freighting their belongings back to WA so that they could take the van back to the manufacturer and leave it there until it was fixed while they went home. They again took the van back to Melbourne. The manufacturer then contracted a chassis company to cut off the suspension and shift it back by 150 millimetres. To do that, they needed to cut out the floor, remove the chassis outriggers, cut out the wheel boxes, cupboards and caravan sides. These components then all needed to be welded, stapled and siliconed back together. Subsequently, the shower in the caravan did not drain properly and a second plughole had to be installed. Mr Weymes had the van checked by an engineer and they found the chassis was bent; it had a bend in the floor, the kitchen bench and the shower and it was overweight and did not match the compliance certificate. Mr Weymes asked for a full refund but was refused by the manufacturer.

Overall, the Weymes have towed their caravan 3 500 kilometres multiple times at their own cost solely for the purpose of returning it to the manufacturer, as it remained defective. An expert engineer has told Mr Weymes that the caravan itself has inherent safety issues that seem to have been built in from the outset. Despite those major modifications carried out by the manufacturer, it has not resulted in a caravan that can be safely towed at normal road speeds, particularly when the rear storage is full. It is fortunate that the caravan has not been in a crash so far. The chassis is bent, and that has had a significant impact on other parts of the structure. The overall weight and length of chassis members in other caravans are generally made of around 150x50 millimetre material, but the Weymes' van chassis is made of 100x50 millimetre material, so it is quite lightweight. The Weymes have come to the conclusion that the van should not be towed as it has the potential to create danger for other road users. The manufacturer has offered to facilitate the sale of the Weymes' van; this would not fix the problems but simply transfer them to a new owner. The Weymes have taken the ethical position of saying that they will not sell the van to a new owner; they will retain it because they could not live with their conscience if someone else inherited the van.

The really difficult part of this grievance is that this was a holiday the Weymes were taking because Mr Weymes has a brain tumour and there is limited time left to him and his wife. Their holiday was an important part of their life together and, effectively, it has come to a halt with a faulty caravan that they refuse to sell to someone else for very good reason. Over 14 000 insurance claims are made annually for accidents involving caravans. Many of these seem to be the result of stability problems and many of them involve older drivers. It is too easy to dismiss these instances as driver error when there is significant increased reporting of faulty manufacture in the media. When I searched on Google today, it revealed 255 000 results for lemon caravans and there are many stories on Google similar to those of the Weymes, particularly on the grey nomad websites.

I noticed that on 29 November, the Australian Competition and Consumer Commission announced it was taking action on behalf of four buyers of caravans from a prominent Australian manufacturer and urged all Australian caravan manufacturers to review their complaints management process to make it easier for consumers to have complaints addressed based on good quality customer service, and that is where it should begin. The ACCC identified that, given the expense of the modern caravan, consumers should have an expectation of a quality product and remedy through the provisions of the Australian Consumer Law. For many people who are buying caravans in Western Australia and following the example of buying in the eastern states to start their holiday there and return to the west, it is especially difficult to get a remedy on consumer law matters involving a manufacturer

and a retailer out of the state. It seems to me to be imperative that people be advised of the potential risks and be encouraged to look to buy from a trusted local supplier as much as possible rather than taking the risk of heading over east and becoming stranded with a caravan that is no longer functional for them.

The Weymes have been through a very difficult set of circumstances at a very difficult time in their life. Mr Weymes' health is such now that they cannot consider another holiday. His prognosis is not good and they could do without the stress and worry of this situation at this time in their life. Thank you, minister.

**MR W.J. JOHNSTON (Cannington — Minister for Commerce and Industrial Relations)** [12.13 pm]: Firstly, member, thank you for the grievance. I should start by passing on our best wishes to Mr Weymes and his wife. I am sure it must be very difficult circumstances for them, and I am sure I speak on behalf of everybody in the chamber today when I say that our heart goes out to them for their tragic circumstance. I hope you can pass on our best regards from all members present.

The Weymes have been dealing with Consumer Protection from the Department of Commerce, and I start by saying that I will be happy for Consumer Protection to again talk to the member and the Weymes family to help in any way the division can. I emphasise that the Australian Consumer Law applies no matter where people buy goods; however, it is clear that given the member's first port of call is the retailer, and for this family the retailer is in Adelaide and the manufacturer is in Victoria, it is much more complicated to deal with the retailer. Clearly, it is one of those things that people, particularly for these large purchases, look for the best deal they can get. But one of the points that needs to be considered in that is that a Western Australian retailer is accessible when things go the way they have in this case.

I can say too that I know how popular caravanning is among grey nomads. In the thirty-eighth Parliament, when I was on the Economics and Industry Standing Committee, we undertook an inquiry into caravanning. With committee members, I visited a number of locations. I do not know, Mr Acting Speaker —

**The ACTING SPEAKER (Mr I.C. Blayney):** I was not on it at that time.

**Mr W.J. JOHNSTON:** You were not on it at that time. The Leader of the Opposition was the chair and I was deputy chair of that committee. I did not go on all the visits, but I remember particularly meeting people on the Coral Coast and seeing the huge enjoyment retired people were having in their little community there. I understand from talking to vanners how much enjoyment they get.

As the member said, the Weymes spent \$75 000 on their van. Some vans cost up to \$100 000 and when the rig to tow it is added, that can mean an enormous investment. There is a lot of high technology in these vans. Unfortunately, there are increasing complaints about vans not being manufactured properly. I note the Australian Competition and Consumer Commission's announcement yesterday about one of those high-profile manufacturers. These are some of the problems we are having. Another problem that arises under the Australian Consumer Law—currently legislation is being considered for this issue—is when a series of minor defects becomes a major defect. If we buy a mobile phone that has something wrong with the battery, it is often easy for the retailer to swap the phone. Even though retailers are probably obliged only to fix the battery, it is often easier for them to give the customer a new device. At what point does consumer law state that a major purchase like a motor vehicle or caravan should be replaced or a refund given? One of the challenges is: when does a series of minor failures add up to a major failure? Something that needs to be looked at is whether what has happened with the Weymes' caravan is a major failure.

I know the family has received assistance in mediation through Consumer Protection, but I emphasise that mediation is just a process to see whether there can be agreement. It is not a legal procedure; it is not a process that ends in court. The Weymes can still take the matter to the Magistrates Court—of course, they may not want to do that—to get their consumer rights enforced. That is, ultimately, where these sorts of disputes may end up. It is obviously important for the Weymes to understand that they can launch any legal action here in Western Australia. They do not have to launch the action in the jurisdiction where they bought the van or where the van was manufactured. It is a single law that applies across Australia that can be enforced through the courts here in Western Australia. Again, Consumer Protection wants to let the family know that it will be very happy to meet with them to look to assist them if that is what the Weymes want to do.

I applaud the family for refusing to allow the van to be sold to some other innocent party who would then have the exact same set of problems. I think there needs to be clearer rules for when a series of minor failures becomes a major failure. However, as I say, current legislative reform on that is being looked at. I remind the chamber that WA is unique in that there is a separate consumer law in Western Australia, but it applies only to unincorporated businesses. Obviously, this matter would be dealt with through the commonwealth law. But regardless of the fact that it is commonwealth law, the enforcement agency is still Consumer Protection in the Department of Commerce, so this matter can be dealt with in Western Australia. As I said, if the facts are as outlined by the member, it is a tragic circumstance. Clearly, that is a major failure and the company should, in fact, replace the caravan or refund the

family's money to allow them to get on with their comfortable enjoyment of life. I look forward to the member and his constituents talking to me and the department so that we can provide more assistance if we are able to do so.