



SUBMISSION

Unfair Trading Practices Protections for Small Businesses

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Submitted by: Caravan Industry Association of Australia (CIAA)

Contact: Stuart Lamont

Chief Executive Officer

stuartl@caravanindustry.com.au

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About Caravan Industry Association of Australia

Caravan Industry Association of Australia (CIAA) is the national peak body representing the caravan, camping and manufactured housing sector across Australia. Our stakeholders include manufacturers, retailers, repairers, park operators, importers, suppliers, and service providers operating across every Australian state and territory. We also act under a Federated structure with state caravanning associations operating as our members meaning we have multiple visibility points across the sector.

The industry contributes over \$27 billion annually to the Australian economy and supports more than 80,000 jobs directly and indirectly. Australia has approximately 3,000 parks and more than 950,000 registered caravans and recreational vehicles (RVs) on the road. CIAA's remit spans both the recreational vehicle supply chain, automotive retail, visitor economy accommodation and the residential land lease community sector.

CIAA stakeholders sit at every point in the supply chain: as small business purchasers of goods and services from larger counterparties, and as suppliers within franchise-style and dealer network arrangements. This dual position gives CIAA a direct and broad-based perspective on the unfair trading practices affecting our sector.

Executive Summary

CIAA supports the Government's commitment to extending unfair trading practices protections to small businesses. The caravanning and camping industry operates through supply chains and commercial relationships that regularly expose small businesses to conduct that existing legal frameworks do not adequately address.

Our submission addresses both limbs of the consultation: small businesses acting as consumers, and small businesses in business-to-business dealings. CIAA's recommendations are summarised below.

No.	Issue	Recommendation
1	Small businesses as consumers	Extend the general prohibition (s.28B) to small businesses acquiring goods and services as a consumer. The existing threshold of <100 employees and / or <\$10M turnover is considered appropriate, subject this not becoming an "and" eligibility.
2	B2B: supply chain practices	Introduce an economy-wide B2B prohibition focused on significant bargaining power imbalances, with a grey list covering unilateral contract variations, retribution-based allocation, and payment withholding.
3	Supplier indemnification (priority)	Reform the ACL's supplier indemnification pathway (s.274) so that caravan dealers can recover consumer guarantee costs (repair or refund) from manufacturers without disproportionate delay, dispute, or commercial risk. Standardise repair reimbursement rates and introduce mandatory timeframes for manufacturer response times.
4	Industry Code of Conduct	Support a sector industry code of conduct for the caravanning and recreational vehicle supply chain. Such a code developed in consultation with industry would provide specific standards for conduct that an economy-wide prohibition may not capture with sufficient precision, and would give consumers and businesses a clearer, more accessible framework for resolving disputes.
5	Platform dependency	The grey list should include conduct by online booking and distribution platforms that distorts small business decision-making or locks operators into commercially harmful arrangements.
6	Dispute resolution	Establish a low-cost, specialist dispute resolution pathway that covers both unfair trading practices and indemnification disputes. Fear of commercial retaliation prevents small businesses from using court-based processes.
7	Financial Services	CIAA recommends that financial services not be carved out of the new protections, as many of the unfair practices faced by small businesses in our sector, including insurance, lending, and payment terms, arise in dealings with large financial institutions on standard form contracts.

Part 1: Small Businesses as Consumers

CIAA supports extending the proposed general prohibition to protect small businesses where they acquire goods and services as a consumer (Question 1). CIAA stakeholders, particularly park operators and smaller caravan retailers, regularly purchase business services from large counterparties under conditions that mirror consumer vulnerability, including standard form contracts, limited practical ability to negotiate, and abuse of power.

Where CIAA stakeholders face consumer-like vulnerabilities

The following contexts are where some small business stakeholders in the caravan industry encounter unfair practices as purchasers:

- **Software and subscription services:** Park management platforms, point-of-sale systems, and reservation engines are often supplied on standard form contracts with automatic renewal clauses, opaque pricing escalation, and barriers to cancellation. Stakeholders report that material changes to features or pricing receive minimal or no meaningful advance notice.
- **Insurance products:** Small operators acquiring commercial insurance for their parks or fleets face an unfair burden when assessing coverage terms, with policy language designed to obscure exclusions rather than disclose or highlight them. In addition thin markets provide for unfair pricing adjustments with limited alternative otherwise available in an efficient competitive marketplace.
- **Digital advertising and platform tools:** Small retailers and parks acquiring advertising or visibility services from online platforms encounter dark patterns including confusing upsell flows, pre-selected higher-tier plans, and misleading demand-scarcity indicators.
- **Utilities and infrastructure services:** Park operators in areas with limited network competition face standard form utility agreements with unilateral variation clauses and opaque metering and billing practices.

Design of the extension

CIAA supports applying the same test as for consumers, without modification (Question 2). Adding further conditions, such as requiring evidence of bargaining power imbalance or limiting capture to financial detriment, would reduce the practical utility of the protection for small businesses that already face structural disadvantage in gathering and presenting such evidence.

The thresholds of fewer than 100 employees is appropriate for the sector, although there are some circumstances where the \$10 million annual turnover is insufficient based on the structure of the business and the products retailed despite still on appearance to being a small / micro business (Question 3). CIAA therefore recommends that the “and/or” eligibility criteria remains and it does not move to an “and” provision.

On the grey list (Question 6), CIAA recommends the following additions for small business contexts:

- Failing to provide adequate notice of material changes to a subscription or ongoing service agreement, where a small business has made operational commitments in reliance on existing terms.
- Using platform design or contract architecture to prevent a small business from accessing or migrating its own operational data, creating lock-in that distorts decision-making.
- Presenting contractual obligations in a format that systematically disadvantages small businesses with limited legal resources, such as excessive length, embedded cross-references, or misleading summaries.

Part 2: Business-to-Business Dealings

The caravan industry supply chain presents clear examples of the structural imbalances that motivate this consultation. CIAA stakeholders operate as small business suppliers and purchasers in relationships with larger manufacturers, importers, and platform intermediaries. These relationships share the characteristics identified across the consultation process: ongoing dependency, significant capital investment, fear of retribution, and limited realistic access to legal remedies.

Dealer and distributor networks

The structure of the caravan and RV retail sector closely mirrors automotive dealer networks. CIAA has been engaged with our automotive industry colleagues and the issues they have documented are directly replicated in the caravanning sector (Question 9).

Dealers in the caravanning sector typically invest substantially in facilities, stock, and brand infrastructure in order to hold an appointment from a manufacturer or importer. This investment creates significant exit barriers or unfair financial obligations during an ongoing relationship. Against that backdrop, CIAA stakeholders have reported:

- Unilateral changes to dealership agreements, including pricing, margin squeeze, territory, and performance metrics, with inadequate notice and no meaningful opportunity to negotiate.
- Termination of dealer agreements (including in some cases the appointment of a competitor dealer) under circumstances where compensation offered is inadequate relative to the dealer's investment, combined with tight acceptance deadlines that prevent proper legal review.
- Acceptance of non payment of warranty obligations or reimbursement of customer refunds for fear of losing a distribution agreement.
- Not providing access to warranty information completed by third parties within a dealer network necessary to defending litigation against actions brought against them by a consumer.
- Product allocation decisions used as a lever to pressure dealers to accept unfavourable commercial terms or to avoid raising legitimate compliance concerns.
- Warranty reimbursement processes that systematically under-compensate dealers for labour and parts, transferring costs that the dealer cannot readily recover from consumers or manufacturers.

Supplier indemnification: a critical gap in the current framework

CIAA's most significant concern with the current legal framework is the practical dysfunction of the supplier indemnification pathway under the ACL. Section 274 gives retailers and dealers a right to be indemnified by manufacturers or suppliers when a consumer guarantee failure results in costs the dealer bears on behalf of the consumer. In principle, this allocates liability where it belongs. In practice, it does not work.

Dealers in the caravanning sector sit between consumers and manufacturers. When a consumer returns a defective caravan or RV, the dealer is legally liable to the consumer under consumer guarantees legislation. The dealer carries out the repair or replacement, absorbs the cost, and then attempts to recover from the manufacturer. At that point the process breaks down:

- Manufacturers set their own warranty reimbursement rates for labour and parts, typically well below market rates. Dealers absorb the gap with no legal mechanism to contest it.
- There are no mandatory timeframes within which a manufacturer must respond to an indemnification claim. Claims routinely sit unresolved for months, creating cashflow pressure on the dealer.

- The process is adversarial. Manufacturers dispute the scope, quantum, or validity of indemnification claims as a matter of course, knowing dealers lack the resources to pursue each dispute.
- Manufacturers use unresolved indemnification disputes as leverage. Dealers with outstanding claims are in a weaker position to push back on unrelated commercial changes, and some report being explicitly told that claims will be processed faster if other matters are settled.
- For caravans and RVs, which involve multiple component suppliers (chassis, coachbuilder, appliances, electrical), liability attribution between component manufacturers is often contested, leaving dealers caught in the middle and bearing costs that belong elsewhere in the chain.

The Government has announced forthcoming reforms to strengthen the ACL's consumer guarantee and supplier indemnification provisions. CIAA urges Treasury to ensure those reforms directly address the structural dysfunction described above. Specifically, CIAA calls for:

- **Mandatory minimum reimbursement standards:** Manufacturers must reimburse dealers at rates that reflect actual reasonable market costs for labour and parts, not rates set unilaterally by the manufacturer.
- **Mandatory response timeframes:** A manufacturer that does not dispute an indemnification claim within a defined period (CIAA suggests 30 days) should be deemed to have accepted it.
- **Prohibition on cross-leverage:** Using an unresolved indemnification claim as leverage in unrelated commercial negotiations should constitute unfair conduct under any new B2B prohibition.
- **Clear liability attribution for multi-component products:** The reforms should establish a mechanism for dealers to direct indemnification claims to individual component suppliers where the defect clearly originates with a specific component, rather than requiring dealers to recover from the head manufacturer.

These reforms do not require new prohibitions. They require the existing indemnification right to be given practical effect. Without them, the consumer guarantee framework continues to transfer costs from manufacturers to dealers on a structural basis, with dealers unable to do anything about it.

Dispute Resolution and Enforcement

The design of any new protection will only deliver practical benefit if small businesses can access it without prohibitive cost or risk. Submissions to earlier consultations consistently identified that fear of commercial retaliation and the cost of legal proceedings prevent most small businesses from enforcing their rights. CIAA's stakeholders experience this directly. A new prohibition that is only accessible through court proceedings will provide limited real-world protection.

This concern applies with particular force to indemnification disputes. Dealers with unresolved warranty reimbursement claims from manufacturers face a choice between absorbing the loss or taking legal action against a supplier they depend on for ongoing product access. Most absorb the loss. A low-cost, specialist dispute resolution pathway that covers both unfair trading conduct and indemnification disputes would give these businesses a realistic option.

CIAA recommends the Government establish or designate such a pathway with the following characteristics:

- Binding determination of indemnification disputes within 60 days of filing, with interim payment orders available where the claim is not disputed on its face.
- No adverse cost orders in the first instance, to remove the deterrent of legal cost risk for small business claimants.
- ACCC investigation powers for patterns of conduct affecting multiple businesses in the same sector, so individual dealers do not need to come forward separately against a common supplier.
- A prohibition on any commercial retaliation against a business for filing or participating in a dispute resolution process.

Industry Code of Conduct

Beyond the specific reforms discussed above, CIAA supports the development of a sector industry code of conduct for the caravanning and recreational vehicle supply chain. Such a code developed in consultation with industry would provide specific standards for conduct that an economy-wide prohibition may not capture with sufficient precision, and would give consumers and businesses a clearer, more accessible framework for resolving disputes.

CIAA notes that the Government has historically supported the development of industry codes in sectors where structural power imbalances are present and existing law does not adequately address specific harmful conduct. The caravanning sector meets these criteria.

A code for this sector should address, at minimum:

- **Warranty and consumer guarantee administration:** Clear standards for how warranty claims are to be assessed, what reimbursement rates apply, and within what timeframes manufacturers must respond to dealer claims.
- **Access to spare parts and service information:** Manufacturers and importers should not withhold access to spare parts, repair information, or diagnostic tools in ways that force consumers or dealers to use manufacturer-controlled service channels. Access to spare parts at reasonable prices and within reasonable timeframes is a basic consumer outcome.
- **Dealer network conduct standards:** Minimum notice periods and process requirements for material changes to dealer agreements, product allocation decisions, and termination.

CIAA recognises that developing and implementing a code requires time and resources. We therefore ask the Government to consider providing financial and administrative support for the development of such a code, in the same way it has supported code development in the food and grocery, dairy, and franchising sectors. The sector has the industry breadth and the consumer reach to justify this investment.

Interaction with Financial Services

CIAA notes the consultation paper's treatment of financial services as a potential carve-out. A number of unfair practices faced by CIAA stakeholders occur in the context of financial products, including insurance, lending, and payment terms. CIAA asks that Treasury clarify whether and how the new protections will apply to small businesses acquiring financial products, given the specific vulnerabilities that small business operators in our sector face in dealing with large financial institutions and insurance underwriters on standard form terms.

Conclusion

CIAA supports the Government's reform agenda and the extension of unfair trading practices protections to small businesses. The caravanning and camping industry provides clear evidence that existing protections do not adequately address the unfair conduct that small businesses encounter in supply chain relationships.

Two priorities stand out which need immediate attention.

First, the supplier indemnification pathway needs to be fixed. Caravan dealers currently bear consumer guarantee costs that should belong to manufacturers, with no practical mechanism to recover them. The forthcoming reforms to the ACL's consumer guarantee and supplier indemnification provisions should treat this as a primary design objective.

Second, the Government should support development of a sector-specific industry code that sets minimum standards for warranty administration, spare parts access, and dealer network conduct.

CIAA welcomes the opportunity to engage further with Treasury and to provide additional evidence as required.

For further information, please contact:

Stuart Lamont

Chief Executive Officer

Caravan Industry Association of Australia

stuartl@caravanindustry.com.au