



MEDIA RELEASE

DR CRAIG EMERSON

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RUDD GOVERNMENT DELIVERS NEW DEAL FOR CONSUMERS

Today the Senate has passed tough new protections for Australian consumers.

In the biggest reform of consumer protection laws since the passage of the Trade Practices Act by the Whitlam Government in 1974, the new Australian Consumer Law provides fines of up to \$1.1 million for companies that engage in unconscionable conduct or make false or misleading representations.

The new law will also ban unfair contracts between businesses and consumers – ensuring the end of unfair small print “nasties” which can trap unwary consumers.

Consumer Affairs Minister Craig Emerson welcomed the passage of the bill, hailing it as a landmark reform for Australian consumers.

“This new law, combined with a second bill I introduced into parliament this morning, provides a new deal for consumers,” Dr Emerson said.

“It offers protections for consumers never before available to all Australians.

“The unfair contracts provisions will prevent businesses from imposing, through standard-form contracts, onerous terms on consumers – terms often tucked away in the fine print.

“This means businesses will no longer be able to get away with unfair terms and conditions and will have to be upfront with their customers.”

Dr Emerson said businesses found guilty of unconscionable conduct – that is, behaviour so odious that any reasonable person would find it deplorable – could be hit with massive fines.

“And businesses that dupe customers with false or misleading information about their product or service can be named and shamed by the Australian Competition and Consumer Commission,” Dr Emerson said.

The Australian Consumer Law (ACL) is a single law which replaces 17 Commonwealth, State and Territory acts in one go.

The Productivity Commission estimates this streamlining will save up to \$4.5 billion a year, making it one of the most important of the 27 COAG reforms designed to take Australia towards a seamless national economy.

Among the changes in the bill introduced today is a new national curfew on door-to-door sales, which bans them on Sundays and public holidays and limits them on other days, and the clarification of consumers' rights to refunds or repairs under warranties.

Importantly, for the first time, there will also be a national system of product safety, ensuring the same level of protection across the nation.

"At the moment, the protections against dangerous or suspect products are fragmented," Dr Emerson said.

"This brings it all together so the same rules apply regardless of where you live."

Australia's consumer regulators will have a single set of powers to enforce the ACL, letting them take effective action against those to break the law.

"Dodgy operators and shonks who flout the law will face the same tough sanctions wherever they go in Australia," Dr Emerson said.

"These powers strengthen our hand in tackling bad business practices and problem businesses."

The States and Territories will each adopt the ACL as their own law. It will be implemented by the end of this year.

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