



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Small Business, Independent Contractors and the Service Economy
Minister for Competition Policy and Consumer Affairs
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GOVERNMENT DELIVERS NEW PROTECTIONS FOR CONSUMERS

Companies will no longer be able to rip off consumers by putting unfair terms into standard-form contracts under laws which come into effect tomorrow, Consumer Affairs Minister Craig Emerson said.

Standard-form contracts, like those offered for mobile phone and pay TV services, hire cars or gym memberships, are often made on a 'take-it-or-leave-it' basis. The new law provides consumers with better protection in cases where they have little or no ability to negotiate different terms.

Dr Emerson said consumers had long been complaining about being hit with extra charges they didn't know about or having to give unreasonable notice to end the contract.

"After hearing complaints from consumers which ranged across a number of industries, we decided it was time to take action," he said.

"The unfair contract terms provisions of the Australian Consumer Law, which come into effect tomorrow, mean consumers will now have the ability to challenge the terms of these contracts.

"Consumers can make a complaint to the ACCC which now has increased powers to ask courts to strike out terms which are deemed to be unfair.

"Courts will also be able to strike those terms out for all consumers who signed up to the same standard-form contract, not just those who take legal action," Dr Emerson said.

Dr Emerson said often consumer contracts are lengthy and complicated, and there can be nasty clauses hidden in the fine print.

However, he warned the same principles of 'buyer beware' still apply, and encouraged consumers to read the fine print of contracts before they sign anything.

For more information visit www.accc.gov.au/uct.

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