



Australian Government

australian consumer law 

The Australian Consumer Law



December 2010

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From 1 January 2011, Australia will have one national law for fair trading and consumer protection—the Australian Consumer Law.

Australian consumers and businesses will have the same rights and obligations wherever they are in Australia. In its *Review of Australia's Consumer Policy Framework*, the Productivity Commission estimated that a national approach to consumer law would deliver benefits of up to \$4.5 billion per year.

The Australian Consumer Law is a key achievement in the Council of Australian Government's reforms to Deliver a Seamless National Economy, which will reduce complexity and duplication for businesses and consumers.

The Hon David Bradbury MP
Parliamentary Secretary to the Treasurer

Frequently asked questions

What is the Australian Consumer Law?

The Australian Consumer Law (ACL) is a single, national consumer law. The ACL will replace provisions in 20 national, State and Territory consumer laws.

What does the Australian Consumer Law cover?

The ACL includes:

- a new national unfair contract terms law covering standard form contracts;
- a new national law guaranteeing consumer rights when buying goods and services, which replaces existing laws on conditions and warranties;
- a new national product safety law and enforcement system;
- a new national law for unsolicited consumer agreements, which replaces existing State and Territory laws on door-to-door sales and other direct marketing;
- simple national rules for lay-by agreements; and
- new penalties, enforcement powers and consumer redress.

Who does the Australian Consumer Law apply to?

The ACL will apply nationally and in all States and Territories, and to all Australian businesses.

When does the Australian Consumer Law commence?

The ACL is to commence on 1 January 2011. Before then, State and Territory consumer laws will continue to apply.

The unfair contract terms provisions in the ACL have applied nationally and in Victoria and New South Wales since 1 July 2010.

The new penalties, enforcement powers and consumer redress options under the ACL are also currently in force nationally.

Who will enforce the Australian Consumer Law?

The ACL will be enforced and administered by the Australian Competition and Consumer Commission (ACCC), each State and Territory's consumer agency, and, in respect of financial services, the Australian Securities and Investments Commission (ASIC).



What are the benefits for consumers?

One law

The ACL will replace 20 existing State, Territory and Commonwealth laws with **one law**.

- At present the law that applies to a consumer transaction differs across each State and Territory of Australia.
- The ACL will make it easier for consumers to understand and enforce their rights because they will be the same across Australia.

Easy to understand

The ACL provides consumers with **a law that is easy to understand**.

- The ACL is simpler and clearer than the equivalent provisions of the Trade Practices Act and the State and Territory Fair Trading Acts.
- Complex legal terms have been replaced with terms that consumers can understand.

Better enforcement

Consumers will benefit from **better enforcement** of the ACL.

- A single law will be uniformly enforced across Australia. A memorandum of understanding between regulators will ensure that this is the case.
- Courts and Tribunals across Australia will apply the same law to consumer disputes, allowing for cheaper and clearer avenues of redress.
- Uniform enforcement powers will be available to all consumer agencies across Australia.

Clear rights

Consumers will benefit from **clear rights** under the ACL.

- Consumers will have the same rights under the ACL across Australia, no matter where they live, where they buy goods or services or where a supplier is located.
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What are the benefits for businesses?

One law

Businesses will benefit from **one law** applying to consumer transactions across Australia.

- Businesses that trade in more than one State or Territory will only have to comply with one law.
- Regulatory complexity is often a deterrent for businesses when they consider expanding. The ACL will remove a barrier to interstate expansion of businesses.

Easy to understand

The ACL will provide businesses with **a law that is easy to understand**.

- Updated terminology, when compared to the archaic provisions in existing laws, can be more easily understood by businesses.
- A law that is easy to understand will result in fewer disputes, as businesses and consumers can have a common understanding of the ACL.

Better enforcement

Businesses will benefit from **better enforcement** of the ACL.

- Even when State and Territory laws are similar, differences in enforcement approaches can lead to additional compliance costs for businesses.
- Improved co-operation between consumer agencies applying the ACL will give businesses comfort that it will be applied consistently across Australia.

Clear obligations

Business will benefit from **clear obligations** under the ACL.

- The existing law imposes different obligations on businesses depending upon where in Australia a particular business, or a particular part of a business is located.
- The ACL will impose the same obligations on businesses across Australia, making compliance easier for businesses that trade in more than one jurisdiction.

For further information and guidance visit www.consumerlaw.gov.au

A joint initiative of the Australian, State and Territory governments

