



The Place To Be

Media release

From the Minister for Consumer Affairs

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NATIONAL CONSUMER PROTECTION LAWS FOLLOW VICTORIA'S LEAD

Australian consumers are set to benefit from the nation wide adoption of a key Victorian consumer protection.

Victorian Consumer Affairs Minister Tony Robinson said today's Ministerial Council on Consumer Affairs meeting in Hobart had agreed to incorporate unfair contract terms provisions into a new national consumer law.

"Consumer Affairs Ministers reached agreement earlier this year to adopt a single national consumer law based on the *Trade Practices Act 1974* plus the best of what operates in current state consumer protection legislation," he said.

Victoria is the only state to have unfair contract terms in its legislation which were added in 2003.

This law has been used in Victoria to achieve substantial improvements for consumers in relation to mobile phone contracts, pay TV, fitness centres and airline ticketing.

"Victoria has been pushing hard to ensure the benefit of our progressive legislation is made available to all Australians and today's landmark agreement ensures this will happen," Mr Robinson said.

"This decision is a win for consumers and businesses across Australia.

"The agreement reached will ensure that remedies are available from unfair contract terms protection where a consumer suffers detriment or is exposed to a substantial likelihood of detriment.

"National regulation will enhance consumer protection, reduce business costs and facilitate well-functioning markets by creating consistency and certainty for traders and consumers."

Laws voiding unfair terms in standard form consumer contracts and proscribing terms that are always considered unfair will also be part of the national legislative scheme.

Under MCCA's proposal, a term in a standard form contract is considered unfair if it causes a significant imbalance in the parties' rights and obligations arising under the contract and it is not reasonably necessary to protect the trader's business interests.

MCCA's commitment to national consumer laws implements a Productivity Commission recommendation made in its Final Report on consumer policy in May this year.

The Commission estimated implementing a national regulatory scheme would result in benefits to Australian consumers of between \$1.5 billion and \$4.5 billion each year.

For further information, contact Consumer Affairs Victoria on 1300 55 81 81 or visit www.consumer.vic.gov.au