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MEDIA RELEASE

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Coalition urges ‘heads up’ on new consumer laws and a ‘helpful’ approach by regulators

With just days to go before new consumer laws come into effect, the Coalition has urged small business people and customer service staff to become familiar with new requirements and called on regulators to adopt an ‘educative approach’ to their implementation.

The replacement of state and territory consumer laws with a national framework will see current implied terms codified by 12 consumer guarantees that apply from January 1, 2011.

Small business people and front-line staff will need to be aware of new obligations and consumer protections and ensure that business practices, signage and paperwork comply with the new laws.

Regulators are urged to take a helpful and educative approach to the implementation of the new consumer laws and not a heavy-handed punitive approach to the enforcement of the new obligations that may come as a surprise to some businesses that are unaware of the changes.

The Commonwealth, State and Territory agencies involved with the implementation of the new consumer law must continue with their education efforts and recognise that a co-operative and collaborative effort with industry associations and business organisations to inform goods and service providers is far more effective than a combative attitude to businesses unaware of a potential need to adjust long-established policies and practices.

Helpful resources are available via www.consumerlaw.gov.au and I encourage people to familiarise themselves with the new consumer protections, guarantees and remedies.

The guarantees available to buyers of items include:

- Suppliers and manufacturers guarantee that goods are of acceptable quality when sold to a consumer.
- A supplier guarantees that goods will be reasonably fit for any purpose the consumer or supplier specified.
- Suppliers and manufacturers guarantee that their description of goods (for example, in marketing materials) is accurate.
- A supplier guarantees that goods will match any sample or demonstration model and any description provided.
- Suppliers and manufacturers guarantee that the goods will satisfy any extra promises made about them in express warranties.

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- A supplier guarantees they have the right to sell the goods with clear title unless they alerted the consumer before the sale that they had limited title.
- A supplier guarantees that no one will try to repossess or take back the goods, or prevent the consumer from using the goods, except in certain circumstances.
- A supplier guarantees that goods are free of any hidden securities or charges and will remain so, except in certain circumstances.
- Manufacturers or importers guarantee they will take reasonable steps to provide spare parts and repair facilities for a reasonable time after purchase.

The guarantees service providers are obliged to provide for products and services they supply include:

- Using due care and expertise.
- That are fit for specified purpose.
- Within a realistic time frame (where no time is set).

Small business people are busy people who want to do the right thing by their customers and should be supported with information and education about the new consumer law regime, rather than face the risk of punitive enforcement action for inadvertently failing to comply with new requirements that have not been adequately communicated and explained.