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MEDIA RELEASE

AUSTRALIAN CONSUMER LAW REVIEW FINAL REPORT

Consumer Affairs Australia and New Zealand (CAANZ), a body made up of consumer affairs officials across Australia, has delivered its final report on the Australian Consumer Law (ACL) review to Commonwealth, state and territory consumer affairs Ministers.

CAANZ proposes a package of 19 proposed legislative reforms to strengthen and clarify the ACL in order to improve consumer wellbeing. The proposals include:

- aligning the penalty regime under the competition provisions of the *Competition and Consumer Act 2010* by increasing the financial penalties for ACL breaches:
 - for individuals from \$220,000 to \$500,000
 - and for companies from \$1.1 million to the greater of:
 - the maximum penalty of \$10 million, or
 - three times the value of the benefit received, or
 - 10 per cent of the annual turnover in the preceding 12 months
- making it easier for consumers to get a refund for a faulty product
- adding new requirements for extended warranties, including a 10 working day cooling-off period introducing a general safety law so that traders are required to ensure their products are safe before they enter the market
- making online shopping fairer by ensuring any charges associated with pre-selected options are included in the headline price
- extending the protections against unfair contract terms to insurance contracts
- making it clear that the protections available in the ACL for unsolicited sales can apply to public places

The final report follows a year-long public review process, with more than 260 submissions, 130 face-to face consultations, and research including the Australian Consumer Survey 2016 which involved more than 5000 consumers and over 1200 businesses.

“The CAANZ review has found that the ACL introduced in 2011 has both empowered consumers and reduced compliance costs for business” said CAANZ Chair Simon Cohen.

“CAANZ has identified a number of opportunities, including higher penalties and better product safety laws that align with community expectations. This will further improve the ACL and provide for a fair, safe Australian consumer marketplace” Mr Cohen said.

The report also sets out a forward program of research and policy work for consumer affairs agencies over the next four years.

“Confident and well-informed consumers are key to an efficient market. After five years, the review has given us the opportunity to improve the legislation and strengthen our commitment to best practice” said Gary Clements, the Commissioner of NT Consumer Affairs.

“The CAANZ review sets out a clear and evidence-based program of reform to ensure the ACL remains relevant into the future.”

Commonwealth, state and territory consumer affairs Ministers will consider the CAANZ review of the ACL and proposals for reform at a meeting of the Legislative and Governance Forum on Consumer Affairs to be held in Melbourne in the second half of 2017.

For further information, please visit <http://consumerlaw.gov.au/review-of-the-australian-consumer-law/final-report>