

Wrongfully accepting payment

A business cannot accept payment for goods or services if they do not intend to supply them, or if they cannot supply them in a timely manner.

Country of origin claims

A business must not make false or misleading representations about the country of origin of goods.

This includes:

- 'made in' a specific country
- 'product of' or 'produced in' a specific country
- use of a logo that identifies a place of origin
- claiming that ingredients or components were 'grown in' a specific country.

'Made in' claims

For a business to claim goods are 'made in' a particular country:

- the goods must be substantially transformed (a fundamental change in the goods' appearance, operation or purpose) in that country
- 50 percent or more of the cost of producing or manufacturing the goods must be incurred in that country.

'Product of' claims

For a business to claim goods are 'produced in', 'produce of' or a 'product of' a particular country:

- virtually all of the production or manufacturing processes must happen in that country
- all of the significant ingredients or components must come from that country.

Use of a logo

If a business labels a product with a prescribed logo (e.g. the 'Made in Australia' brand), the goods must:

- have been substantially transformed
- meet the prescribed percentage of production or manufacturing costs that apply for that logo.

'Grown in' claims

A business can lawfully claim goods are 'grown in' a particular country when:

- at least 50 percent of the total weight comprises ingredients or components grown and processed in that country
- virtually all production or manufacturing processes happened in that country
- each significant ingredient or significant component was grown and processed only in that country.

Further information

If you would like to learn more about avoiding unfair business practices, *Avoiding unfair business practices*—a guide for business and legal practitioners offers more detailed information. The guide has been designed to help businesses, legal practitioners and consumer advocates understand the law. The guide is available to download from the Consumer Affairs website at www.consumeraffairs.nt.gov.au

You can also find information about the Australian Consumer Law at www.consumerlaw.gov.au

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A joint initiative of the Australian, state and territory governments



Avoiding unfair business practices

A guide for consumers

australian
consumer law

NORTHERN TERRITORY
CONSUMER
AFFAIRS



The Australian Consumer Law

On 1 January 2011, all Australian, state and territory governments introduced a single, national consumer protection and fair trading law.

The Australian Consumer Law (ACL) is a major change for Northern Territory businesses and consumers. The new law applies to all sectors of the economy and to all Australian consumers and businesses.

The ACL is designed to:

- improve consumer wellbeing through consumer empowerment and protection
- foster competition
- enable the confident participation of consumers in markets in which both consumers and businesses trade fairly.

The ACL introduces new protections for consumers, including:

- consumer guarantees, which are a comprehensive set of rights and remedies regarding the supply of goods and services
- the ability to ask a court to remove unfair terms in standard form consumer contracts
- increased protection from unfair and unethical business practices.

A national product safety regime is also being introduced as part of the ACL.

For more information on the Australian Consumer Law, visit www.consumerlaw.gov.au

Misleading or deceptive conduct

Consumers have the right to expect that a business will not mislead or deceive them. A business is breaking the law if it creates a misleading overall impression about the price, value or quality of consumer goods or services. It does not matter if the business intended to mislead or deceive—what matters is how its statements or actions affect the thoughts or beliefs of consumers.

Media organisations are exempt from these laws when they are carrying out their business of providing information.

Puffery

Puffery is wildly exaggerated, fanciful or vague claims that no reasonable person could possibly treat seriously or find misleading. There is no legal distinction between puffery and misleading or deceptive conduct—only a court can decide depending on the circumstances of each case.

Silence

A business is breaking the law if it fails to disclose relevant facts to you. Whether this silence is misleading or deceptive will depend on the circumstance of each case.

Disclaimers and fine print

Businesses cannot rely on the fine print to advise consumers of important facts about a good or service. However, as a consumer you cannot just ignore disclaimers, because they are not illegal if they are prominently displayed and don't undermine the offer being made.

Predictions and opinions

A promise, opinion or prediction can be misleading or deceptive if the business knew it was false, did not care if it was true or not, or had no reasonable grounds for making it.

False or misleading representations

A business cannot make false or misleading representations about goods or services concerning:

- the price or value, standard, age, place of origin, quality or grade
- the composition style, model or history of goods
- testimonials from people buying or using them
- the availability of repair facilities or spare parts
- the sponsorship, approval, performance characteristics, accessories or benefits of use
- a buyer's need for them
- any guarantee, warranty or condition on them.

It is also illegal for a business to offer rebates, gifts or prizes without intending to provide them, or not providing them as offered.

Unconscionable conduct

Unconscionable conduct is defined as a statement or action so unreasonable that it defies good conscience.

Examples include a business:

- not explaining a contract properly to a consumer that they know does not speak English or has a learning disability
- inducing a person to sign a blank or highly unfavourable contract
- taking advantage of a low-income consumer by making false statements about the real cost of a loan
- failing to disclose key contractual terms.

Bait advertising

A business cannot advertise goods at a certain price if it does not have a reasonable supply for consumers to buy, and instead urges consumers to buy higher priced or lower quality goods.