



**CONSUMERS
FEDERATION
OF AUSTRALIA**

Developing and promoting
the consumer interest

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Peak consumer group calls on Ministers to fast track priority consumer protections

Ahead of this week's meeting of Ministers for consumer affairs, the Consumers' Federation of Australia (CFA) has urged faster progress on updating the Australian Consumer Law.

Chairperson of the CFA Gerard Brody said that consumers have been waiting too long for vital reforms to laws on product safety, refund rights and unsolicited selling

"The Final Report of the Review of the Australian Consumer Law was published in April 2017, yet progress on key reforms appears to have stalled."

"Whether it is everyday products like whitegoods or electrics, or more complex services like telecommunications or banking, we all rely on an up-to-date Australian Consumer Law", said Mr Brody.

"Part of the reason we're seeing a decline in trust in corporate Australia is that our consumer law has not kept pace. It's vital that governments take prompt action to ensure Australians are safe and treated fairly".

The 2017 Review of the Australian Consumer Law recommended:

- A new general safety provision to ensure all products are safe before they enter the marketplace. There has yet to be any further public consultation on this essential reform.
- More effective refund rights, or "lemon laws", giving consumers a clearer right to a refund or a replacement when goods do not meet consumer guarantees. While Federal Treasury consulted on this reform in March 2018, it has not yet progressed to legislation.
- A further study to examine whether unsolicited selling (including cold calling and door-to-door selling) should continue to be permitted in Australia. This study was meant to kick off in 2017-18, but there has been little if any public progress.

"The recent hearings at the Banking Royal Commission vividly documented the harm caused by cold calling life insurance. There's no justification for exploitative practices like this", said Mr Brody.

Other recommendations from the Review include fixing extended warranties and applying unfair contract term protections to insurance. Like the other important proposals, neither of these have yet become law.

A separate report published by the Productivity Commission in April 2017 proposed that regulators must reveal the number and nature of consumer complaints—but the Commonwealth Government has not even responded to it yet.

Two pieces of legislation that have passed Federal Parliament recently were welcomed by CFA.

- New legislation increased maximum financial penalties for contravening the Australian Consumer Law to \$10 million, three times the benefit gained from the contravention, or 10% of the business turnover from 1 September 2018.
- The Treasury Laws Amendment (Australian Consumer Law Review) Act 2018, passed on 18 October 2018, implements several of the more minor recommendations from the Review of the Australian Consumer Law, including clarifying the operation of unsolicited consumer agreements (so that protections apply in a public place) and improving the regulator's powers to obtain information and investigate in relation to product safety and unfair contract terms.

The CFA's ACL Review Tracking Calendar can be found here: <http://consumersfederation.org.au/april-update-acl-review-implementation-tracking-calendar/>.

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