

The quiet revolution— consumer reform



Australia's quiet revolution is seeing the introduction of a raft of reforms that will benefit consumers and businesses.

A new Australian Consumer Law is set to unify Commonwealth, state and territory laws into a single national law. The proposed law means that all businesses will play under the same rules. The final round of consumer protection reforms will be concluded by 2011.

Consumers benefited from the introduction on 25 May 2009 of 'clarity in pricing' reforms (also called 'component pricing'), which require a single total price to be displayed prominently on an item for sale.

On 1 July unit pricing legislation came into force. Under this new legislation, large supermarkets, online grocery retailers and smaller stores that opt in are required to display the price for a standard measure (e.g. the price per 100 grams or 100 ml). Participating stores have until 1 December 2009 to comply with the new labelling requirements.

On 24 July a law providing for up to 10 years imprisonment for serious cartel conduct came into force.

In September, two major breakthroughs occurred without expensive, exhaustive and complex court actions. In telecommunications, Telstra, Optus and Vodafone Hutchison all agreed to stop the widespread practice of potentially exaggerated and misleading advertising of mobile phone, internet and international card call services.

In another court enforceable agreement, Coles and Woolworths changed leasing arrangements in supermarkets that may have locked out competitors from shopping centre developments. As a result, most of the 755 leases reviewed by the ACCC immediately lost their restrictive provisions, clearing the way for competitors to move in.

Other areas of consumer protection law are also being reviewed.

The Commonwealth Consumer Affairs Advisory Committee is undertaking a public assessment of the law relating to warranties and refunds, and is due to report to the government before the end of the year.