

Tuesday 17 March 2009

Changes to the way you can advertise prices

Ensure the way you advertise your prices to consumers meets the requirements of recent amendments to the *Trade Practices Act 1974*.

The *Trade Practices Amendment (Clarity in Pricing) Bill 2008* requires businesses advertising prices of consumer goods or services to specify (as far as possible) a single price for acquiring those goods or services. This amendment is expected to commence by 25 May 2009. Other minor and technical amendments to product safety provisions commenced on 26 November 2008.

The Australian Competition and Consumer Commission (ACCC) encourages businesses to adopt safe practice and to give consumers accurate information so that they can easily compare prices. The safest way to ensure you comply with the *Trade Practices Act* when a price is stated is to advertise, display or list the total price payable by the buyer as a single figure, inclusive of any mandatory taxes or charges (e.g. GST, postage/handling).

How to advertise your prices:

While lawful advertising can depend on particular circumstances, following a few simple guidelines can help you ensure that your advertising doesn't breach the Act.

Make sure you state:

- the full cash price, e.g. '\$550'
- the full cash price and additional information, e.g. '\$550 (including GST)' or '\$550 (including \$50 GST)'
- all components of the cash price, and totalling them to the full cash price, e.g. '\$500 plus \$50 GST = \$550'
- all components of the cash price, e.g. '\$500 plus \$50 GST'.

Make sure you don't state:

- only one component of the price, e.g. '\$500'
- one component part of the price, plus an unspecified amount, e.g. '\$500 plus GST'
- a price with an asterisk qualifier in a non-prominent place, separate from the headline print, detailing additional compulsory amounts payable, e.g. '\$500*

For more details on the changes refer to *News for Business*, ACCC's publication outlining the obligations under the *Trade Practices Act 1974*, and the *Clarity in Pricing Bill 2008*. Publications to help businesses comply with the *Trade Practices Act* can be ordered through the ACCC Infocentre (1300 302 502) or downloaded for free from the ACCC website (www.accc.gov.au).

Disclaimer: This information does not constitute legal advice and should not be relied on as a statement of the law relating to the Act. You should obtain legal advice if there is doubt about whether any conduct may breach the Act. Other federal or state-based laws may impose additional requirements or responsibilities on your businesses when dealing with other businesses or consumers, beyond the requirements of the Trade Practices Act 1974.