

Financial FACT SHEET

Inspiring Performance

Trade Practices and Advertising 'Drive Away' Prices Only

In 2009, the Federal Government introduced the Trade Practices Amendment (Clarity in Pricing) Act 2008 which regulates the way businesses sell their goods and services to the general public. The main change to note is that some businesses are required to specify the full price for their goods or services as a single figure, in a prominent way.

The single price figure includes all quantifiable taxes and charges when the price is quoted, and must be the most prominent figure advertised.

Costs that must be included are:

- » administration fees;
- » booking fees;
- » GST;
- » levies or other taxes; and
- » surcharges.

Costs that are excluded:

- » genuine postage and handling charges;
- » any costs not passed onto the consumer; and
- » any costs that are optional to the consumer.

Please be aware that these new rules are subject to some important exceptions.

This Fact Sheet contains general advice that has been prepared without considering your objectives, financial situation or needs. You should consider the appropriateness of any advice before acting on it. Peak Partnership Pty Ltd ABN 24 064 723 550. Liability limited by a scheme approved under Professional Standards Legislation.

It only applies to consumer-type goods

Only goods or services that are ordinarily provided for personal, domestic or household use or consumption are subject to these new rules. Although cars are often acquired for business purposes, they are consumer-type goods because they are ordinarily acquired for personal, domestic use.

It does not apply to financial services

Financial services as defined in the ASIC Act 2001, including banking, finance and insurance services (but not medical insurance services) are excluded.

It does not apply to incorporated entities

This excludes most business-to-business dealings and transactions with governments and government departments.

These changes have been made with the view of providing greater transparency for the everyday consumer so we know the price we are paying for goods and services.

If you believe these new rules may affect how you advertise the products or services in your business, we suggest you seek independent, professional legal advice. The Peak Partnership has professional dealings with a number of legal firms, so feel free to phone your Accountant on 3360 9888 for further information.



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