

## Talking Law Article – April 2009 Component Pricing? What you need to know

Component pricing occurs when a business breaks its price down into separate items, such as the basic price plus compulsory fees, charges and taxes, and then advertises only one element prominently.

Changes to the *Trade Practices Act* now prohibit component pricing unless the total price is stated just as prominently as a single figure.

So you are now unlikely to see “plus on-road costs” hidden in fine print without the total price of the vehicle advertised just as prominently as the before on road cost of the vehicle.

Businesses must specify the price as a single figure which includes all amounts that are quantifiable at the time of advertising. This single price must be displayed “at least as prominently” as the most prominent of the other components of the price.

The new provisions are intended to apply to the advertising of consumer goods and services only.

This article is for general information and is not to be taken as specific legal advice. If you require advice on any matters relating to the *Trade Practices Act*, please contact Racheal Despotellis at Dawes and Vary Kyabram on 5851 0200, Lesley Hart at Shepparton on 5820 0200, Trish Vigliaturo at Tatura on 5824 0300 or Michelle Allan at Echuca on 5482 2555.

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