

BUSINESS

Restaurants in the firing line of new pricing laws



Restaurants' prices will be targeted by new law

NEW part-pricing laws – aimed at stopping companies from advertising prices that do not include hidden costs – will affect many businesses, says a Gold Coast solicitor.

The component pricing laws, which came into effect on May 25, require that a single price be advertised.

Dan Marino, Hickey Lawyers partner and owner of Commercial Licensing Specialists – a consultancy firm for liquor and gaming operators – said the law would stamp out the practice of airlines advertising fares without taxes and car dealerships promoting prices excluding on-road costs.

However, its reach will extend far beyond that, including any business that advertises the price

of goods and services and prices in other contexts, such as contracts and quotes.

Mr Marino said that under the new laws, businesses would have to display a single price that included the total cost of a product or service, including any surcharges, fees or taxes.

“What this means for restaurants, cafes and bars is that they will no longer be able to simply include a note on the bottom of the menu listing the surcharge for weekends or public holidays,” he said.

“Instead, they will be legally required to fully disclose the total cost, meaning they must print a separate menu for use on those days with the end price included.

“The big problem is that many operators do not realise their new

obligations under the legislation and could find themselves being penalised for non-compliance.”

Mr Marino said that failing to comply with the new legislation, under the Trade Practices Act, could be considered a criminal offence and, in severe cases, carried a maximum penalty of \$1.1 million for corporations and \$220,000 for individuals.

Civil penalties will be introduced later in the year as part of the Federal Government's new national consumer laws.

“More than likely, for operators like restaurants and cafes, the penalty will be in the form of a notice they must display saying they have failed to disclose their pricing correctly,” said Mr Marino.