

1994

**THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**DOOR-TO-DOOR TRADING ACT 1991**

**Door-to-Door Trading Regulations (Amendment)**

**EXPLANATORY MEMORANDUM**

Circulated by authority of  
Terry Connolly, MLA  
Attorney-General

These Regulations will amend the Door-to-Door Trading Regulations (the Principal Regulations) to remove an inconsistency between the Door-to-Door Trading Act 1991 and the Principal Regulations.

The purpose of the Act is to protect consumers in their dealings with door to door traders and to regulate certain activities of door to door traders.

Section 20 of the Act provides that the Executive may make regulations, not inconsistent with the Act prescribing matters that are required or permitted by the Act to be prescribed or that are necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The Principal Regulations, prescribe the form of notices pursuant to paragraph 7(1)(g) of the Act which must be given to consumers at the time they make a contract with a door to door trader which is regulated by the Act. The first notice is set out in Form 1 of the Schedule to the Principal Regulations and informs consumers that they have a right to rescind a contract regulated under the Act in circumstances, inter alia, where the trader did not read out the contents of the Form 1 notice aloud to the consumer. The statement of rights set out in the notice should be consistent with statutory rights of rescission in the Act. The second notice is set out in Form 2 of the Schedule to the Principal Regulations which allows consumers, when giving notice to the trader that they wish to rescind the contract, to explain to the trader on what basis they have rescinded the contract by selecting from a range of possible reasons the one that suits their particular circumstances. Reflecting the information contained in the Form 1 notice, one of the possible reasons is that the Form 1 notice was not read out to the consumer at the time the contract was made. The reasons should also be consistent with the statutory rights of rescission in the Act.

Section 12 of the Act sets out the circumstances where a consumer can rescind a contract. These circumstances include those where a trader engages in practices contrary to the Act or fails to comply with the requirements of section 7(1) of the Act in relation to the contract itself. However section 12 of the Act does not include the circumstance where a trader fails to read out the Form 1 notice. The only sanction under the Act for not reading out the Form 1 notice is in section 7(2) of the Act, where a trader is subject to a maximum fine of \$2,000 if he fails to read out the Form 1 notice.

Accordingly, the amendments to the Principal Regulations ensure that the notices given to consumers by traders in relation to their rights to rescind the contract under the Act reflect the rights that consumers actually have under the Act. These Regulations amend Forms 1 and 2 of the Schedule to the Principal Regulations by removing the references to a consumer having a right to rescind a contract regulated under the Act if a trader fails to read out aloud the Form 1 notice to the consumer.