

IMPORTANT

DO NOT sign a contract if you do not fully understand what you are agreeing to.

If another party to your contract has not done what they promised to do, you should seek legal advice immediately, as you may be able to take action which forces that party to either carry out their promise or pay an amount of money to you to cover your losses.



Don't be pressured into signing a contract before you are ready.

Tips for signing a contract

- Don't allow anyone to rush you.
- Read every word, including all the small print, and ensure you understand the entire document.
- If there is anything you do not understand, take the contract away and get some independent advice before you sign.
- Never sign a contract that contains blank spaces.
- Understand exactly what you're paying for, and how any interest or charges will be calculated.
- To avoid disputes, make sure any verbal changes are noted in writing before you sign.
- Keep a copy of the signed contract in a safe place.
- Any contract, even if it is 'standard', can be changed if all parties agree.

For further advice on any consumer issue visit the web site consumeraffairs.nt.gov.au or telephone Consumer Affairs.

Contracts

You'll want good advice

www.consumeraffairs.nt.gov.au

consumer@nt.gov.au

1800 019 319

SMS 040 111 6801



A contract is a legally binding agreement between two or more people.

One party will promise something in exchange for the other party promising something else.

Examples of contracts

Contracts range from very simple transactions to complex agreements:

- Purchasing a bus ticket
- Buying a television
- Entering into a loan agreement
- Dropping off drycleaning
- Signing an employment contract

A contract can be in writing or it can be verbal. A verbal contract is able to be enforced but some contracts must be in writing, such as an agreement to buy a house.

How do I know if I've entered into a contract?

A contract always has three parts:

1. **AGREEMENT** - one party makes an offer, and the other party accepts.
2. **CONSIDERATION** - this is the value of the promise (usually payment of money) given in return for the goods or service.
3. The parties **INTEND** the agreement to be **LEGALLY BINDING**.

Have a think about your circumstances... if you can tick off all three parts, you may have entered into a contract!



DEPT OF JUSTICE



Can I get out of a contract early if I want to?

Once a contract has been signed, neither party can change their mind – you are locked in unless both parties agree to the change.

If either party wishes to get out of the contract early, they may end up having to pay a penalty, or the other party may take them to court to recover any losses they suffer as a result.

Check whether your contract has a 'get out early' clause.

If it does, make sure you are happy with any penalties that you will have to pay, should you want to get out of the contract.

What if I haven't signed anything?

You may still have entered into a contract.

For example, if a store promises to order in a product for you, and you pay a deposit and promise to pay the balance later, you have probably entered into a contract.