



MEDIA RELEASE

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3 March 2010

RUDD GOVERNMENT STRENGTHENS UNCONSCIONABLE CONDUCT LAWS

The Rudd Government is strengthening the Trade Practices Act to crack down on unconscionable conduct by unscrupulous businesses, Small Business and Competition Policy Minister Craig Emerson announced today.

Dr Emerson said the changes would enable the Australian Competition and Consumer Commission and the courts to take strong action against business operators who bullied, harassed or coerced others in a weaker position.

"The law will be clarified to help protect consumers and small business operators from bad business behaviour by more powerful businesses," Dr Emerson said.

"The Government will make the law more effective by making the types of conduct it covers much clearer.

"The changes will make it clear that the law covers bad business behaviour not only before an agreement is signed, but in the actual contents of the agreement and its ongoing operation.

"Individuals and small businesses will have a clearer understanding of their rights under the law.

"Regulators will have a stronger basis for taking action, and enhanced powers do so. Courts will have better guidance about the situations when they can find a business behaved unconscionably."

Dr Emerson said the clarification of the unconscionable conduct provisions of the Trade Practices Act complements the introduction of stiff new penalties for offenders.

These penalties – of up to \$1.1 million for companies and \$220,000 for individuals – are in the Australian Consumer Law Bill which is before the Senate.

In announcing the changes today, the Rudd Government has accepted the recommendations of an expert panel it established last November to advise on reforming unconscionable conduct laws.

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