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# Policy developments

## Inquiry into unconscionable conduct



*A statement issued by the Minister for Small Business and Consumer Affairs, the Honourable Mr Geoff Prosser, MP, on 28 May 1996 is reproduced in full below.*

The Government today announced its intention to refer the issues of fair trading, and harsh and oppressive conduct to the House of Representatives Standing Committee on Industry, Science and Technology.

Speaking in Question Time today, the Minister for Small Business and Consumer Affairs, Geoff Prosser, said the Government was aware that this was a key issue for small business.

'We recognise that many small firms are concerned about harsh and oppressive conduct in their commercial relationships, particularly in the areas of franchising, retail tenancy and service station arrangements.

'However, the previous Government's Better Business Conduct Bill was not the solution. Indeed, many argued that the Bill would have created more problems than it solved.

'Following discussions with the small business sector, the Government believes the most appropriate course is to refer the issue to a House of Representatives Committee for full analysis and evaluation.

'This will give all those interested in the issue an opportunity to present their views in a fair, frank and open public forum.'

The Committee will be given comprehensive terms of reference, covering the definition of different types of conduct, identification of the sectors in which such conduct may occur and the impact of such conduct. The Committee will be asked to develop options and strategies for implementation to address such cases.

'In addition, in line with our election commitment, the Committee will be asked to take into account previous investigations, studies and reports.

'However, this Government will go further. Once the Committee has reported, we undertake to consult extensively with business and small business communities to discuss the Committee's recommendations and future action.'

Mr Prosser said that this was yet another example of the Government honouring its election commitment to small business.

'This measure is in addition to the implementation of our 100 Day Action Plan for Small Business, the reduction of the provisional uplift factor from 8% to 6% and changes to the industrial relations system.'

## ACCC and WA Ministry of Fair Trading sign MOU

On 7 February 1996 the Commission and the Ministry of Fair Trading WA signed a memorandum of understanding. The aim of the agreement is to promote and administer competition policy in Western Australia through the cooperative and efficient use of the resources of both agencies. It will allow them

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to work together on a range of common or complementary interests.

The memorandum was developed following the release of the Hilmer Report and in anticipation of the introduction of the Competition Policy Reform Act.

While the Commission is responsible nationally for administering and enforcing the Trade Practices Act, the Ministry of Fair Trading has a complementary role in WA.

In July 1996 the reach of the Trade Practices Act will be extended to unincorporated businesses and government business enterprises. By that date, the exclusion of the business activities of State and Territory entities from the application of Part IV provisions of the Act will cease to exist, and State and Territory application legislation will have the effect of extending the Part IV prohibitions to areas of

the economy previously outside the scope of Part IV, such as unincorporated businesses that do not trade interstate or overseas. The Commission and the Ministry will work closely together to provide industry and consumer groups with information about the effects of the Trade Practices Act.

Under the memorandum, the two agencies will hold regular meetings; refer matters to each other; undertake joint investigations, compliance and education projects; and provide joint staff training and staff exchange programs.

The joint arrangements will be regularly monitored and evaluated to ensure that the objectives of the memorandum are met.

Similar cooperation agreements were signed with the Northern Territory Ministry of Fair Trading on 16 March 1996 and the ACT Consumer Affairs Bureau on 1 November 1994.



From left to right: Commission Deputy Chairman Allan Asher, Commission Chairman Professor Allan Fels and Commissioner Sitesh Bhojani sign the MOU.