
Policy developments

GST Bill

A Bill has been introduced to Parliament to insert a new Part VB into the Trade Practices Act. This part will give the ACCC power to monitor prices in order to prevent exploitation of consumers and excessive profit taking in the transition to the new tax system.

Price exploitation will be prohibited and subject to court action by the Commission and the same penalties as breaches of Part IV — \$10 million for a body corporate and \$500 000 for a person. The Commission will have the power to issue a notice to persons it considers in breach and such a notice will be prima facie evidence that the person has charged an unreasonably high price. The Commission may also issue a notice which specifies a maximum price that may be charged.

The Commission will issue guidelines in relation to the application of the Bill and in relation to its administration of its powers. The transitional regime will apply from 1 July 1999 or from the commencement of the Bill (if later) and end two years after the commencement of the GST.

Notification fees reduced

On 17 December 1998 the Minister for Financial Services and Regulation, the Hon. Joe Hockey MP, announced a reduction to \$100 in the fee for notification of third line forcing conduct to the ACCC. The reduced fee applies only to notification lodged by an individual or a proprietary company.

Third line forcing is a form of exclusive dealing involving supply on condition that the buyer also buys a product from a third party. It is prohibited under s. 47 of the Trade Practices Act, but if there are public benefits, people engaging in the conduct may seek immunity from court action through the notification

process. Notification to the ACCC of third line forcing provides automatic immunity from court action 14 days after lodgment unless the ACCC issues a draft notice within the 14-day period or subsequently removes the immunity.

Shopper docket petrol discount schemes are an example of third line forcing. Independent petrol retailers and supermarkets seeking to respond to shopper docket schemes involving national chains have been faced by a \$1000 fee for notification of each arrangement to secure immunity. The notification fee for those mentioned above will be reduced from \$1000 to \$100. The reduction is expected to help small business to compete with the large supermarket chains and to offer lower petrol prices to consumers.

The reduced fee came into operation after gazettal of amendments to the Trade Practices Regulations on 22 December 1998.

'Sunset' standards — vehicle jacks, trolley jacks and support stands

Vehicle jacks, trolley jacks and support stands up to specified load capacities are subject to mandatory safety standards under the Trade Practices Act. In the notice published on 19 March 1997 the then Minister for Small Business and Consumer Affairs, the Hon. Geoff Prosser MP, declared that the earlier edition of the relevant Australian Standards would run concurrently with the later editions until 1 January 1999. This was to enable suppliers to make the necessary changes to their production and run out old stocks.

The following standards ceased to have effect on and from 1 January 1999:

- Australian Standard 2693-1987 *Vehicle Jacks*;

- Australian Standard 2615-1987 *Trolley Jacks*; and
- Australian Standard 2538-1985 *Vehicle Support Stands*.

From that date all products are required to comply with the later editions as specified in the mandatory standard. These are:

- Australian Standard 2693-1993 *Vehicle Jacks*;
- Australian Standard 2615-1995 *Trolley Jacks*; and
- Australian Standard 2538-1995 *Vehicle Support Stands*.

The later editions of the standards represent several significant improvements to the safety and practical application of the product specifications. It is important that consumers receive the benefits of these improvements following the phase-in period allowed to suppliers during 1997 and 1998.