

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 42 (ACCC)
Topic: Threshold for unconscionable conduct
Hansard Page: E69

Senator JOYCE asked:

The government has proposed to increase the threshold for unconscionable conduct cases to \$10 million. Can this be done immediately through regulation to the Trade Practices Act or do we need to wait for a second trade practices bill?

Mr Samuel—It is in the legislation at the moment, and I think it needs to be moved into regulations. It is currently under part 4A. Is that right?

Mr Cassidy—We are not quite sure. We suspect it can be done by regulation, but we had better take that one on notice for you so that we do not give you an incorrect answer.

Mr Samuel—We have a copy of the act here, so we will just look at it and see what is the case.

Answer:

Part IVA of the *Trade Practices Act 1974* (TPA) contains provisions relating to unconscionable conduct. In particular, subsections 51AC(9) and (10) of the TPA contain the \$3 million threshold for unconscionable conduct in business transactions, and permit this threshold to be increased by regulation. No other amount has yet been prescribed by regulation.