

CRACKDOWN ON THE CHEATS

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BUSINESSES caught breaching the Trade Practices Act with anti-competitive behaviour could face stiff new penalties introduced early in 2007.

Currently, corporations can be penalised up to \$10 million for serious breaches of the Act. Despite the high cost of the maximum penalty, for some businesses this alone may not be enough to offset the gain from illegally squeezing competitors out of a market.

Under the changes introduced to the Act, corporations can now be penalised \$10 million, three times the value of the gain from the breach, or if the gain can't be accurately

estimated 10 per cent of the turnover of the body corporate and all related bodies.

The new changes allow for much more significant financial penalties to be inflicted on individuals or corporations that go out of their way to significantly breach the Act and attempt to stifle competition.

As well as providing a far greater incentive for big business to comply with the Act, it is expected to provide additional protection for small businesses which are often the victims of anti-competitive or other unfair behaviour by larger competitors. ●

