

# Senate Estimates – Opening Statement

4 June 2024

Good evening, Chair and Senators.

I would like to start by acknowledging the Ngunnawal people, the traditional owners and custodians of the land on which the Australian Parliament sits. I would also like to recognise any other people or families with connection to the lands of the ACT and this region. I pay my respects to them, their culture and Elders past, present and emerging.

The ACCC's senior executive management team and I are pleased to be here before the Committee.

I would like to start by outlining some of the ACCC's key achievements over the first 5 months of 2024.

In March, we announced the ACCC's 2024/25 compliance and enforcement priorities. The priorities reflect our ongoing focus in both competition and consumer issues, including product safety and sustainability. First Nations Australians remain an enduring priority, and the ACCC are conscious of vulnerabilities in scams and childcare.

In line with this priority, the ACCC are establishing a dedicated First Nations coordination, outreach and advocacy team that will help inform and align all our activities across the whole agency regarding conduct impacting First Nations Australians. They will develop comprehensive communication strategies to disseminate key education messages about competition and consumer issues to First Nations communities. This will build on what we've already learned from these communities through our inquiries into childcare and regional telecommunication infrastructure as well as our infant product safety campaign, including how cost of living issues have particularly affected First Nations' communities.

In consumer enforcement, the settlement that the ACCC and Qantas jointly put to the Federal Court earlier last month was a significant outcome. If accepted by the Court, this penalty will send a very strong deterrence message to the business community. This case demonstrates that the ACCC will take action to ensure that companies operating in Australia understand that they must communicate clearly, accurately and honestly with their customers at all times.

The ACCC has also instituted proceedings in the Federal Court against Clorox, the manufacturer of GLAD-branded kitchen and garbage bags. This action reflects our ongoing enforcement priority to take action against businesses making false or misleading environmental claims. It is clear that consumers increasingly choose the products they buy based on their environmental impact. In order to effectively do so, consumers must be able to trust that the environmental claims made by businesses are accurate. We are concerned that, by this alleged conduct, Clorox deprived consumers of the opportunity to make informed purchasing decisions, and may have put other businesses making genuine environmental claims at an unfair disadvantage.

The ACCC's competition enforcement investigations and actions resulted in more than \$100 million of fines this financial year. This figure includes the result of our extensive investigation into cartel conduct in the building and demolition waste services industry in Sydney, which saw fines of over \$30 million, plus multiple terms of imprisonment, imposed against Aussie Skips and Bingo Industries and their former CEOs. In delivering the sentences in relation to the former CEOs, Justice Wigney commented that officers of corporations in similar positions "should be left in no doubt that they will face condign punishment if they cause their corporations to enter into, or give effect to, cartel

arrangements". The ACCC has a robust competition enforcement program, with a number of matters currently before the courts as well as some important matters in our enforcement pipeline.

We are currently marking the one-year anniversary of the establishment of the National Anti-Scam Centre. The NASC has brought together government agencies, the private sector and other independent bodies to develop strategies and tools to respond to the scourge of scams and protect the community. This is hard work, and highly damaging losses continue to impact Australians. However, we are seeing encouraging trends emerge.

Through the NASC, we have heard directly from consumers experiencing vulnerability or disadvantage how devastating the impacts of scams can be. We also know that consumers experiencing vulnerability are disproportionately impacted by scams. Accordingly, vulnerability remains a standalone factor for us across all priorities and the work of the ACCC.

The NASC's first fusion cell, co-led with ASIC, focused on investment scams. In the January to March quarter of 2024, reported losses to investment scams were down by 47% compared to the corresponding quarter in 2023. This was achieved through a range of collaborative measures including by enabling direct referrals from the NASC to digital platforms, resulting in more than 1,000 instances of scam advertisements and videos being taken down. We saw similarly large numbers of investment scam websites taken down. With Optus, we trialled a "Call Stop" initiative that diverted calls to confirmed scam phone numbers to a recorded warning, and we are working to have similar initiatives adopted by other telcos. We know this initiative had a real impact, with one consumer reporting that this enabled them to avoid a loss of \$300,000.

In another key sector, our supermarkets inquiry is progressing its important work examining one of Australia's most visible industries. We have released an issues paper and currently conducting stakeholder roundtables. We will continue to develop this work diligently and thoroughly throughout the rest of the year, before our final report is provided to the Treasurer in February 2025.

The ACCC's product safety work recently resulted in LG agreeing to provide replacements or refunds for thousands of faulty solar storage batteries which can overheat and catch fire without warning, as well as provide compensation to consumers with these batteries for higher energy bills incurred during the period their battery is switched off.

In our regulatory work, we have released regulatory monitoring reports for petrol, stevedoring, airports, electricity and gas this year, as well as the first two reports of the renewed Airline Monitoring Report. We have finalised the declaration of a large range of fixed line telecommunications services and are shifting our focus to a number of pricing determination inquiries. Following a great deal of work and negotiation throughout 2022 and 2023, we have moved on to the implementation of NBN Co's Special Access Undertaking Variation, which has involved a number of complex and critical work programs.

All of this work is critically important while Australians continue to face cost of living pressures. Our regulatory work provides transparency, active oversight and stringent assessment, which empowers the competitive process to unfold, detects anti-competitive behaviour and ensures services are provided effectively and at efficient prices.

It has been a busy time for our people and our agency. We are mindful of our obligations to the community to respond to the current pertinent issues. We continue to see change unfolding in our economy impacting the community, which is reflected by changes in our agency. In this vein, we welcome the Government's announcement to strengthen Australia's merger laws, as announced on 10 April 2024 at a lecture in honour of the late Ron Bannerman, the first chair of the Trade Practices Commission which was the precursor to the ACCC. This process is now being led by policymakers in Treasury and the ACCC is collaborating with them closely. We are watching with interest the work they are doing on other important issues including non-competes and reinvigorating National Competition Policy. We are also working with our counterparts in Treasury on other key reform priorities in the Digital Platforms space, and on the introduction on an Unfair Trading Practices Prohibition.

I appreciate the opportunity to discuss our recent work. We look forward to assisting the Committee.