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MEDIA RELEASE

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
ACCC review report tabled

Chair: *Tim Wilson MP*
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House Economics Committee welcomes ACCC enhanced competition role and tougher consumer law penalties

The House of Representatives Standing Committee on Economics today tabled the report of its review of the performance of the Australian Competition and Consumer Commission (ACCC).

Committee Chair, Mr Tim Wilson MP, said ‘the ACCC has an important role to play in monitoring and holding individuals and groups to account for anti-competitive behaviour and breaches of Australia’s consumer law.’

The committee examined the ACCC’s work on competition and Australian Consumer Law (ACL) penalties, including regulation of competition in the financial sector, criminal cartel cases arising from ACCC investigations, and electricity and gas pricing.

‘While strong competition laws and corresponding penalties have been in place since 2007, until recently this has not been reflected in the pecuniary penalties imposed in competition cases. There is still much work to be done by the ACCC and in the legal system to clearly demonstrate to companies that for serious competition breaches there will be serious consequences.

In particular, penalties for competition law breaches must take into account company size and turnover for them to be an effective deterrence to anti-competitive behaviour,’ said Mr Wilson.

Since the hearing, the Treasury Laws Amendment (2018 Measures No. 3) Bill 2018 was passed, and will correct the disparity between competition and consumer law penalties. The maximum penalties under the ACL will now align with the maximum penalties under the competition provisions.

The Chair said ‘the ACCC’s recent more proactive approach to issues in the financial sector is essential. Arising out of this committee’s recommendation in November 2016, the Government established the Financial Services Unit, through which the ACCC now has a permanent role in monitoring the banks on competition matters.’

The committee also examined the ACCC’s work in energy markets on electricity and gas supply and affordability. Since the hearing, the Government has tasked the ACCC with monitoring and reporting on electricity prices, at least every six months, until 2025.

The report is available at: https://www.aph.gov.au/economics/completed_inquiries

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