



Report on price signalling bills tabled

The House Economics Committee has tabled a report supporting the passage of the Competition and Consumer Amendment Bill (No.1) 2011 to ensure that the banking sector remains competitive.

The Bill amends the *Competition and Consumer Act 2010* (CC Act) to:

- prohibit businesses from disclosing pricing information to a competitor in private;
- prohibit businesses from making any disclosure about price, commercial strategy or their capacity if the purpose of the disclosure is to reduce competition with other firms;
- ensure that any prohibitions apply only to goods and services specifically identified by regulations; and
- provide exemptions to prohibitions so as to enable businesses to continue normal operations, including timely notifications to the ACCC on the grounds of providing a net public benefit.

Committee Chair Craig Thomson MP said that the bill will 'correct the problem with which the ACCC has struggled for so long, namely that the Commission has powers that extend to price fixing, but not to price signalling'. An example was the 'Apco' case in 2005. In this case a number of petrol retailers were prosecuted by the ACCC for allegedly passing information to one another about their price intentions.

The Chair noted that following a successful appeal against the conviction in the Federal Court on the grounds that price signalling was not technically illegal, it became 'clear that the bar for prosecution was set too high' and that following some statements from banks it was also evident that 'the problem was not restricted to petrol pricing'.

The Chair acknowledged that the Committee had considered a private members bill on the issue put forward by Mr Billson MP, but had concluded that the government's alternative gave more robust protection to the public interest. The report includes a dissent by the Coalition members of the committee.

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