

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2016 - 2017

**Division/Agency:** Australian Competition and Consumer Commission

**Question No:** 89

**Topic:** Enforcement/Compliance Priorities

**Reference:** Written

**Senator:** Ketter, Chris

**Question:**

1) How did the ACCC prioritise their compliance and enforcement agenda for this budget year (it focuses on agriculture and small business to some degree)?

2) Was the Minister involved in choosing these priorities? Did he sign off on them? On what date please? Did these priorities go to Cabinet or any higher Government body?

3) Overall, how much has the ACCC spends on enforcement and compliance? Is this increasing or decreasing from the last few years? Provide a break down, year by year on ACCC spend on enforcement and compliance.

4) Are you also able to break this down to show what proportion of these investigations/enforcement actions are for consumer issues, as opposed to competition issues, although I acknowledge this may be difficult to separate out?

**Answer:**

1) The ACCC prioritises its compliance and enforcement activities in line with the ACCC Compliance and Enforcement Policy. The Policy identifies current priority areas and lists the priority factors to be taken into account in deciding whether to pursue particular issues or matters.

The ACCC's Compliance and Enforcement Policy is updated annually in February and is developed through a process referred to as the strategic review. The review identifies areas of priority for the ACCC's enforcement and compliance work and ensures that resources are appropriately allocated to higher priority matters. To determine the relevant priorities, an environmental scan is conducted. This involves gathering and reviewing information from the wide variety of sources including: key stakeholders; Infocentre contacts; international counterparts; and the parliamentary landscape is considered.

At the review, Commissioners and senior managers have an opportunity to discuss and formulate the ACCC's priorities for the following year. The Commission will approve an updated policy.

- 2) The Minister, Cabinet or any other Government body are not involved in choosing these priorities. As identified in question 1, the priority areas are determined through consultation with senior managers and subsequently approved by the ACCC Commission.
- 3) The ACCC's Compliance and Enforcement Policy applies to the Enforcement Division and Consumer, Small Business and Product Safety Divisions in the ACCC. The budget for these divisions is included in the table below.

	<b>2012-13</b> <b>\$'000</b>	<b>2013-14</b> <b>\$'000</b>	<b>2014-15</b> <b>\$'000</b>	<b>2015-16</b> <b>\$'000</b>
Enforcement and Compliance costs	58 792	60 293	60 593	62 358

\*Additional costs are incurred and resources deployed in the use of external and internal legal. The ACCC's external legal budget in 2014-15 was \$23.3 M with the largest component of this budget being directed to enforcement actions each year.

- 4) The ACCC's Enforcement Division has investigators across five branches with offices in each capital city and in Townsville. The ACCC seeks to deploy these investigators 50/50 across competition (including cartel) and consumer law (including product safety and industry codes). At any one time, taking into account staff absences, the ACCC has between 60-65 investigators available for each category (between 120-130 in total) with most investigation teams and investigators assigned to multiple investigations.

The increases in 2014-15 was influenced by additional funds received for the ACCC's Gas Inquiry and 2015-16 are influenced by additional funds directed towards the ACCC's Agriculture Unit which sits within the Enforcement division.