

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

23 – 24 February 2011

Question No: AET 32

Topic: ACCC – INVESTIGATIONS

Hansard Page: Written

Senator Ryan asked:

- How many were initiated by complaints from small businesses?
- How many fines have been issued by the ACCC for breaches of the law?
- What is the total value of fines issued by the ACCC for the 2009-10 financial year?

Answer:

The following outlines the number of complaints the ACCC received in 2009–10, from small business, where complainants identified themselves as such. It further outlines the number of complaints which progressed to various stages of an investigation.

1 July 2009 to 30 June 2010	
Complaints	2,491
Complaints placed under assessment	477
Complaints progressed to initial investigation	80
Complaints progressed to in-depth investigation	17

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Civil pecuniary penalties and criminal fines are often sought by the ACCC as part of a suite of remedies in ACCC initiated court proceedings under the *Competition and Consumer Act 2010* (the Act). Where the court finds parties have contravened the law, the Federal Court of Australia may impose a penalty or fine.

In 2009–10 the ACCC secured orders for pecuniary penalties of over \$23 million and in the current financial year to date, the ACCC has secured orders for pecuniary penalties of over \$41 million.

Since April 2010, the ACCC has the power to issue infringement notices. This was introduced as part of the Australian Consumer Law amendments.

The ACCC can issue an infringement notice where it has reasonable grounds to believe that a person has contravened various provisions of the Australian Consumer Law, including:

- unconscionable conduct
- certain unfair practices
- pyramid selling
- certain product safety and product information provisions.

The penalty amount in an infringement notice will vary, depending on the alleged contravention, but in most cases is fixed at \$6,600 for a corporation (or \$66,000 for a listed corporation) and \$1,320 for an individual per each alleged contravention.

Late in the 2009–10 financial year, the ACCC issued 8 infringement notices for a total sum of \$47,520. Of these notices, none were payable or paid during that financial year. Some of these notices have been paid in the current financial year.