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The Parliament of the Commonwealth of Australia

# **Review of the Australian Competition and Consumer Commission Annual Report 2016**

House of Representatives  
Standing Committee on Economics

September 2017  
Canberra

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## Chair's foreword

At the public hearing on 16 August 2017, the ACCC outlined its main responsibilities as Australia's competition and consumer regulator under the *Competition and Consumer Act 2010*. The committee scrutinised the ACCC on its performance and role across various markets, recent activities and priorities for the coming year.

The committee was particularly interested in the ACCC's new Financial Sector Competition Unit, which was established in response to Recommendation Three of this committee's Review of the Four Major Banks. The committee heard that the ACCC's work on competition in the banking sector has already commenced and is currently inquiring into any pass through of the Major Bank Levy onto residential mortgage products. From 1 July 2018, the ACCC will be looking at competition issues more broadly in the banking sector.

This reform is important because it will require the banks to fully and transparently account for their interest rate decisions. If bank executives are making misleading statements about interest rate movements, for example attributing price increases solely to regulatory requirements, then the committee expects this will be identified and banks will be held accountable.

In addition to its new role in the banking sector, the ACCC has been given new powers to enforce a ban on excessive payment surcharging by Australian businesses, and is poised to take enforcement action if businesses continue to charge inappropriate fees on credit, debit and prepaid card payments. The ACCC is also monitoring broadband performance to inform consumers about fixed line broadband services delivered over the NBN.

The committee was concerned by the scale of the Takata airbag recall, which has resulted in more than 2.3 million Australian vehicles being recalled due to serious safety issues since 2009. The committee notes that the ACCC is monitoring the voluntary recall to determine whether a mandatory recall is necessary to address safety risks for consumers.

In relation to Australia's energy markets, the committee shares the ACCC's concern about the impact of increasing energy prices on Australian households and businesses. The committee notes that the ACCC is currently inquiring into energy price increases, and whether the Australian Energy Regulator is effectively regulating energy markets.

Given these new roles and powers, the ACCC must remain vigilant in monitoring and protecting Australian consumers against anti-competitive behaviour and breaches of consumer law in Australia's markets. The committee will continue to scrutinise the performance and effectiveness of the ACCC's operation.

On behalf of the committee, I thank the Chairman of the ACCC, Mr Rod Sims and other representatives of the ACCC for appearing at the hearing on 16 August 2017.

**David Coleman MP**  
**Chair**



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## **Membership of the Committee**

<b>Chair</b>	Mr David Coleman MP
<b>Deputy Chair</b>	The Hon Matt Thistlethwaite MP
<b>Members</b>	Mr Adam Bandt MP Ms Julia Banks MP Mr Scott Buchholz MP Mr Trevor Evans MP Mr Kevin Hogan MP Mr Craig Kelly MP Mr Matt Keogh MP Ms Madeleine King MP

## **Committee Secretariat**

<b>Secretary</b>	Mr Stephen Boyd
<b>Inquiry Secretary</b>	Dr John White
<b>Office Manager</b>	Ms Jazmine Rakic



## **Terms of reference**

The House of Representatives Standing Committee on Economics is empowered to inquire into, and report on, the annual reports of government departments and authorities tabled in the House that stand referred to the committee for any inquiry the committee may wish to make. The reports stand referred in accordance with the schedule tabled by the Speaker to record the areas of responsibility of the committee.



# Abbreviations

AER	Australian Energy Regulator
ACCC	Australian Competition and Consumer Commission
ACL	Australian Consumer Law
ADIs	Authorised Deposit-taking Institutions
APRA	Australian Prudential Regulation Authority
CVC	Connectivity Virtual Circuit
DIRD	Department of Infrastructure and Regional Development
FSCU	Financial Sector Competition Unit
NBN	National Broadband Network
NBN Co	NBN co. Limited
RSPs	Retail Service Providers
VIN	Vehicle Identification Number