

Introduction

Background

- 1.1 The House of Representatives Standing Committee on Economics (the committee) 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 in accordance with the Speaker's schedule.
- 1.2 The 2015 annual report (annual report) of the Australian Competition and Consumer Commission (ACCC) stands referred to the committee in accordance with this schedule. The committee resolved at its meeting on 11 December 2015 that it would conduct an inquiry into the annual report.
- 1.3 The ACCC is an independent Commonwealth statutory authority whose role is to enforce the *Competition and Consumer Act 2010* (the Act) and a range of additional legislation.¹
- 1.4 The ACCC was established in 1995 to administer the *Trade Practices Act 1974* (renamed the *Competition and Consumer Act 2010* on 1 January 2011) and other acts. The ACCC has a Chair, Deputy Chairs, Commissioners and Associate Members. Appointments to the ACCC involve participation by Commonwealth, state and territory governments.²
- 1.5 The ACCC currently comes under the portfolio responsibilities of The Treasury. The ACCC's stated aims include promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.

1 ACCC website < <https://www.accc.gov.au/about-us/australian-competition-consumer-commission/about-the-accc> > viewed 17 March 2016.

2 ACCC website < <https://www.accc.gov.au/about-us/australian-competition-consumer-commission/about-the-accc> > viewed 17 March 2016.

- 1.6 The ACCC describes its role and priorities on its website and in the annual report in the following terms:
- maintain and promote competition and remedy market failure;
 - protect the interests and safety of consumers and support fair trading in markets;
 - promote the economically efficient operation of, use of and investment in monopoly infrastructure;
 - increase engagement with the broad range of groups affected by what the ACCC does.³
- 1.7 The ACCC service charter further describes its role in relation to markets as follows:
- protecting consumers and ensuring fair markets by enforcing the *Competition and Consumer Act 2010* and the Australian Consumer Law;
 - collecting information from consumers and businesses to help understand what issues cause the most harm to Australian businesses and consumers and where best to use resources;
 - reviewing and assessing company mergers and asset acquisitions, authorisation and notification applications in Australia; and
 - promoting competition in the communication, bulk water, postal, and transport industries.⁴

Scope and conduct of the review

- 1.8 The ACCC appeared before the committee at the first public hearing to review its 2015 annual report in Canberra on 24 February 2016.
- 1.9 The proceedings of the hearing were webcast over the internet, through the Parliament's website, allowing interested parties to view or listen to the proceedings as they occurred. The transcript of the hearing is available on the committee's website.⁵

3 ACCC website <<https://www.accc.gov.au/about-us/australian-competition-consumer-commission/about-the-accc>> viewed 17 March 2016.

4 ACCC website <<https://www.accc.gov.au/about-us/australian-competition-consumer-commission/service-charter>> viewed 17 March 2016.

5 House of Representatives Standing Committee on Economics, Past Public Hearings and Transcripts, <http://www.aph.gov.au/Parliamentary_Business/Committees/House/Economics/ACCC_2015/Public_Hearings> viewed 24 March 2016.

- 1.10 This report focuses on the issues raised in the annual report and, in particular, on matters raised at the public hearing in Canberra on 24 February 2016.
- 1.11 At the public hearing, the committee examined the current policy settings in competition and consumer law, focussing on the role of the ACCC in regulating mergers, assessing market power and anti-competitive behaviour, and investigating possible cartel activity. Also discussed were the ACCC's activities in monitoring petrol pricing, recent interventions in the supermarket sector, international activities, and the impact of the recent Competition Policy (Harper) Review, which released its final report and recommendations in March 2015.

