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The Parliament of the Commonwealth of Australia

# Review of the Australian Competition and Consumer Commission Annual Report 2015 (First Report)

House of Representatives  
Standing Committee on Economics

April 2016  
Canberra

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## Chair's foreword

The committee held its first public hearing with the ACCC on 24 February 2016 and examined its role, recent activities, and priorities for the coming year. The committee also queried the ACCC on the implementation of the Competition Policy (Harper) Review recommendations released in March 2015.

The ACCC outlined at the hearing its principal roles under the *Competition and Consumer Act 2010* (the Act) as a competition, consumer and safety regulator, and its additional functions in regulating monopoly infrastructure and analysing the petrol market, among others.

The committee was particularly interested in the ACCC's views on the apparent disconnect between the lowering of global oil prices and Australian petrol prices. The ACCC advised that whereas fixed taxes and levies account for some of this disparity, there has clearly been some profit-taking by both refiners and retailers. The committee notes that the ACCC has engaged with the industry on this issue, and that these higher margins appear to be returning to usual levels. The ACCC must remain vigilant in monitoring whether Australians are paying a fair price at the bowser.

The committee notes also that the ACCC successfully concluded proceedings against petrol retailers in 2015 for sharing information with the purpose of keeping prices higher. The committee expects the ACCC to ensure that such anti-competitive behaviour in the petrol market, and indeed in any market, is quickly identified.

Preventing the use of substantial market power by larger businesses to engage in anti-competitive activities is a central plank of competition law. In this regard, the proposed introduction of an effects test into the Act, as recommended by the Harper Review, was an important topic of discussion at the hearing. The effects test will enable the ACCC to prosecute businesses for activities that have the 'effect' of substantially lessening competition.

The committee will explore the impacts of this and other Harper Review recommendations with the ACCC at future hearings.

On behalf of the committee I would like to thank the Chairman of the ACCC, Mr Rod Sims, and his colleagues for appearing at the public hearing on 24 February 2016. The ACCC has a vital role to play in ensuring Australia's markets operate fairly for both businesses and consumers. The committee will provide important oversight of this into the future.

David Coleman MP  
Chair



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## Membership of the Committee

<b>Chair</b>	Mr David Coleman MP (from 11 March 2016) Mr Craig Laundry MP (to 18 February 2016)
<b>Deputy Chair</b>	The Hon Ed Husic MP
<b>Members</b>	Mr John Alexander OAM MP Mr Scott Buchholz MP Mr Pat Conroy MP Mr Kevin Hogan MP Mr Craig Kelly MP Mr Craig Laundry MP (to 24 February 2016) Ms Clare O'Neil MP Mr Clive Palmer MP Ms Fiona Scott MP (from 2 March 2016)

## Committee Secretariat

<b>Secretary</b>	Mr Stephen Boyd
<b>Inquiry Secretary</b>	Dr Kilian Perrem
<b>Administrative Officers</b>	Ms Jazmine Rakic Mr Danny Miletic



## 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.





## List of abbreviations

ACCC	Australian Competition and Consumer Commission
ANAO	Australian National Audit Office
APRA	Australian Prudential Regulation Authority
CEDA	Committee for Economic Development of Australia
VET	Vocational education and training

