

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Australian Competition and Consumer Commission

Question No: 36

Topic: ACL Penalties

Reference: Written

Senator: Ketter, Chris

Question:

1. The Government has proposed to increase the penalty for breaching the Australian Consumer Law from \$1.1 million to \$10 million. Do you expect this would result in an increase in revenues?
2. How significant do you think the increase in revenues would be?
3. Did the Government consult you on whether the ACCC expected there to be an increase in revenues because of this increase in penalties?
4. Why didn't the Budget include any increase in revenues flowing from this increase in penalties?

Answer:

1. The ACCC has publicly noted that the current maximum penalties available under the Australian Consumer Law (ACL) are too low and need to be increased if they are to act as an effective deterrent. In many circumstances. If the maximum penalty is increased, we would expect that there would be an increase to penalties ordered by the Courts.
2. The revenue impact is unquantifiable. The ACCC is unable to comment on the extent of any potential increase to revenue through higher penalties. Ultimately penalties are decided and ordered by the Court on the basis of the specific matter.
3. Yes.
4. The Budget papers noted there would be an unquantifiable increase to revenue as a result of this measure.