

# Consumers, cartels and competition: what you need to know



**Australian  
Competition &  
Consumer  
Commission**

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13th Family Business Australia National Conference  
Hyatt Regency Perth, Saturday, 3 September 2011



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## The ACCC

- **National regulator** – oversees laws on consumer protection and equitable competition
- Also regulates **specific industries** such as energy and telecommunications
- ...and industry codes for **franchising, horticulture**
- Aims to protect all Australian **consumers**
- Ensure trading environment is **competitive, fair, free**
- Key goal: all businesses compete **on their own merits**



## The *Competition and Consumer Act 2010*

- Governs relationship between businesses and consumers, and business to business
- Covers matters such as:
  - Misleading or unconscionable conduct
  - Unfair consumer contracts
  - Pricing & advertising
  - Product safety
  - Cartels and price-fixing
  - Mergers
- Applies to all businesses, regardless of size
- Incorporates new Australian Consumer Law
- Replaced the *Trade Practices Act 1974*



## Australian Consumer Law

- Provides consistent, national set of consumer laws
- Covers
  - consumer guarantees
  - misleading sales practices
  - mandatory reporting of unsafe products
- Creates level playing field for small business to compete
- Replaces 18 previous sets of state/territory/federal laws



## Consumer Guarantees

- Everyone has a basic right to products that are safe, durable, free from defects
- These apply when purchasing both goods / services
- Two major types:
  - **Major defects**
  - **Minor defects**
- Replace old terms “implied warranties” and conditions
- Apply to manufacturers, suppliers and retailers
- Businesses also have rights...



## Unfair Selling Practices & Misleading Conduct

- Protects consumers against **high-pressure** door-to-door and telemarketing **sales practices**
- eg: limits on contact times, cooling off periods
- ACCC also has greater powers against businesses that deliberately mislead or deceive
- Can ask firms to **substantiate their advertising claims**
- e.g. false claims to **membership of industry groups**



## Mandatory Reporting of Unsafe Products

- There is now a **national system** for collecting information on unsafe products
- Suppliers must report goods associated with death or serious injury or illness of a person **within 48 hours**
- Includes **anyone in the supply chain** – retailer, dealer, installer, repairer etc
- Can be done online: [www.productsafety.gov.au](http://www.productsafety.gov.au)





## Beware of Scams

- A large & growing problem: over 40,000 reports p.a.
- Some examples:
  - **False billing**
  - **Telephone listings**
  - **Fake government grants**
  - **Questionable franchise operations**
- Small business especially vulnerable
- Look out for the warning signs
- Protect yourself: some tips
- Subscribe to **[www.scamwatch.gov.au](http://www.scamwatch.gov.au)**



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