



# BUSINESS SNAPSHOT



## Carbon price claims: dealing with your suppliers and competitors

Under the *Competition and Consumer Act 2010*, you must not make false, misleading or deceptive claims about the price of goods or services. This includes false, misleading or deceptive claims linking price rises to the carbon price.

- Your supplier is entitled to increase its prices as it sees fit—it is business as usual. Leading up to and following the start of the carbon price, the same legal obligations not to mislead or deceive apply.
- Like any other claim, if your supplier makes a claim about the impact of the carbon price or why its price has increased, the claim should be truthful and have a reasonable basis.

### You and your suppliers

Tips to help you when purchasing goods and services from your suppliers:

- look at what other suppliers are charging for similar products and services, and see if they are saying different things about the impact of the carbon price, as you would for any price increase.
- watch out for scams—be cautious about phone calls or emails offering to pay carbon price compensation into your bank account or asking survey questions about carbon. These may be scams. Information about how to protect yourself from carbon price scams is available at [www.scamwatch.gov.au](http://www.scamwatch.gov.au).



## Relying on supplier information

If you intend to rely on information from your supplier when making claims about the carbon price to your customers, you need to assess whether it is reasonable to rely on the information.

Before making a claim you should consider:

- any explanation your supplier has given you about the impact of the carbon price, and any other factors (unrelated to the carbon price) that have contributed to their price increases.
- whether the price increases are consistent with the carbon price impact as predicted by other sources such as the government, your industry association or other professional advisers.
- what your contracts with your suppliers say about price increases.
- the impact of any carbon price related rebates or assistance available to you or your suppliers.

## Dealing with your competitors

As you try to work out the impact of the carbon price on your input costs, you may be tempted to compare your circumstances with your competitors. While relevant industry information may assist you in your calculations, it is important that you set your own prices independently. This includes any agreement or decision you make about your prices related to the impact of the carbon price.

The *Competition and Consumer Act 2010* does not allow competitors to enter into any contract, arrangement or understanding relating to the price of their goods or services or any price adjustments including those attributable to the carbon price.

For this reason, you should take great care when you engage in any discussions with your competitors about the effects of the carbon price.

## What can I do?

If you are concerned about claims your supplier is making in business transactions about the impact of the carbon price, contact the ACCC. The ACCC can act against misleading claims if a business falsely links a price rise with the carbon price.

If you have a complaint or inquiry, contact the ACCC by calling the ACCC Carbon Price Claims Hotline on 1300 303 609 or using the ACCC Carbon Price Claims Webform available at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)

## What can the ACCC do?

The ACCC has a variety of powers that may be used to investigate the accuracy of claims about the impact of the carbon price.

The ACCC's focus is to ensure businesses do not make misleading claims about price increases as a result of the carbon price. The ACCC does not have a role in formally monitoring, setting or restricting prices linked to the carbon price and cannot stop a business from putting up its prices as a result of the carbon price.

## ACCC investigative and enforcement powers

The ACCC may investigate and take action against businesses that make false or misleading claims.

Some of the ACCC's powers include:

- requiring a business to provide documents and information that respond to a substantiation notice.
- issuing infringement notices of \$6600 for a corporation (or \$66 000 for a listed corporation) where it considers a claim is false or misleading.
- taking legal action against a business for breaches of the Australian Consumer Law (the ACL).
- seeking court-imposed penalties of up to \$1.1 million for serious breaches of the ACL or injunctions to stop a business from making certain claims.

## More information?

- Businesses and consumers with complaints and inquiries can contact the ACCC Carbon Price Claims Hotline on 1300 303 609 or using the ACCC Carbon Price Claims Webform available at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon). Small businesses can also contact the Small Business Help Line on 1300 302 021.
- For information on substantiation notices see *Business Snapshot—ACCC powers to issue infringement, substantiation and public warning notices* available at [www.accc.gov.au](http://www.accc.gov.au)
- For more information on carbon price claims and representations see *Carbon price claims—Guide for business*, FAQs and Business Snapshots in this series available online at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)
- For more information on the administration of the carbon pricing mechanism, please contact the Clean Energy Regulator on 1300 553 542 or visit [www.cleanenergyregulator.gov.au](http://www.cleanenergyregulator.gov.au)

### ACCC contacts

Infocentre 1300 302 502

Website [www.accc.gov.au](http://www.accc.gov.au)

For information in languages other than English, call 13 1450 and ask for 1300 302 502

TTY service for people with hearing or speech difficulties: 1300 303 609 [www.accc.gov.au](http://www.accc.gov.au)

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