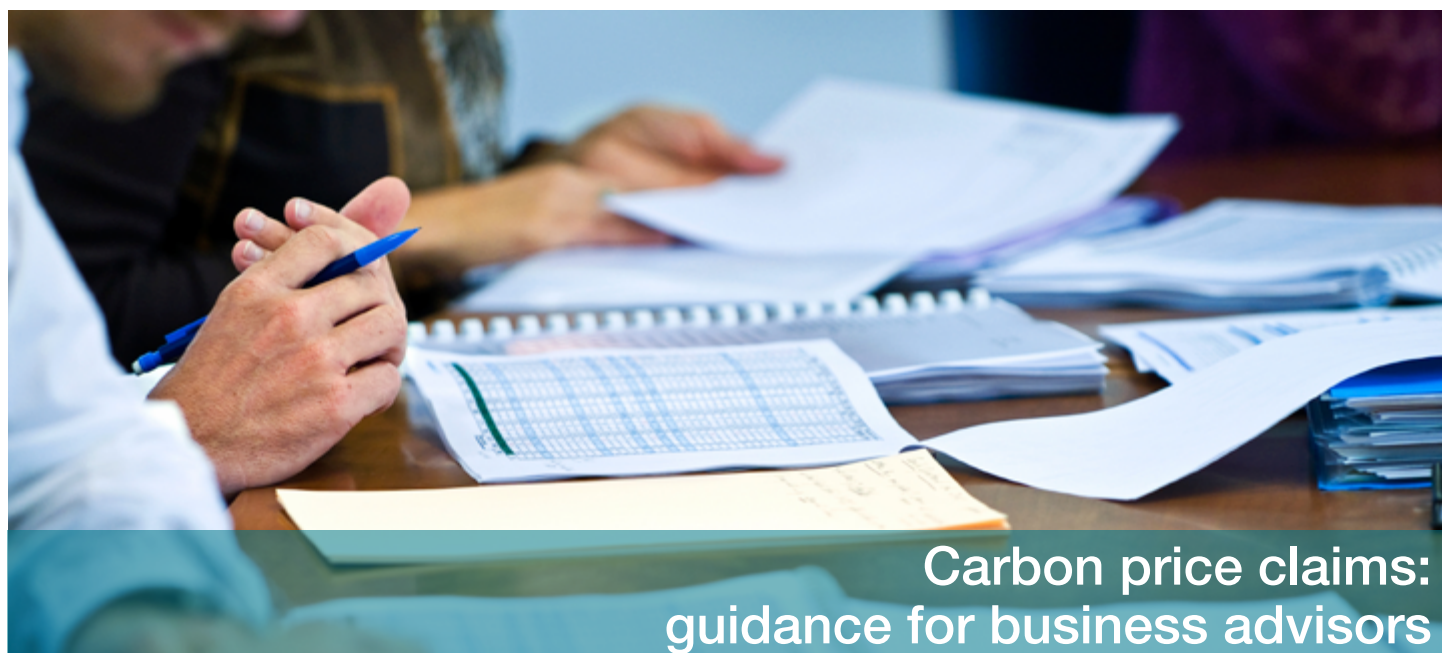




# BUSINESS SNAPSHOT



## Carbon price claims: guidance for business advisors

Under the *Competition and Consumer Act 2010*, businesses 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.

When providing guidance and information about carbon price claims for your clients, remember:

- businesses are entitled to increase their prices as they see 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 client chooses to make a claim about the impact of the carbon price or why a price has increased, the claim should be truthful and have a reasonable basis.

### The role of the ACCC

The ACCC's carbon price role includes:

- informing and educating businesses, including through issuing guidance, about their responsibilities under the *Competition and Consumer Act 2010* (the Act) when making a carbon price claim.
- raising awareness amongst consumers about their rights under the Act.
- investigating and, where appropriate, taking action against businesses who engage in practices that contravene the Act.

The ACCC's focus is to ensure businesses comply with the Act when making claims about the price of goods and services related to the impact of the carbon price. The ACCC can act against misleading claims if a business falsely links a price rise with the carbon price.

The ACCC's role does not include formally monitoring, setting or restricting prices linked to the carbon price. The ACCC cannot stop a business from putting up its prices as a result of the carbon price. More information about business obligations and responsibilities, and the ACCC's role, is available in the ACCC's *Carbon price claims: Guide for business* at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)



## Problematic carbon price claims

Carbon price claims could appear in TV or radio advertising, websites, on product labels or in contracts and catalogues. They could also be made by a salesperson over the phone, via email or in person on the shop floor.

Problematic claims might be made in a number of circumstances including:

- claims made on a business' new price list that incorrectly link all price increases to the carbon price.
- comments by a sales representative that incorrectly link an increase in the price of goods or services to the carbon price.

## Key points on pricing

- Businesses must determine their carbon costs and prices independently of their competitors.
- Businesses should avoid discussions and, most importantly, agreements with competitors about the price impact of the carbon price.

As a business advisor, you have a role in providing information and assistance that enables your clients to estimate the impact of the carbon price, reflecting their own costs and needs.

## Relying on third party information

Your clients may consider information from a range of sources when determining the impact of the carbon price on their costs, and ultimately their prices.

As a business advisor, encourage your clients to assess whether there is a reasonable basis for relying on the information before making a claim.

For further guidance on the type of information your clients can use to support their claims, see Business Snapshots available at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)

## Business obligations

Claims about the impact of the carbon price need to be consistent with competitive practices. Your clients must ensure that any discussions they have with suppliers and other businesses about the price of goods and services are compliant with the Act.

For more guidance, see information about dealing with other businesses available at [www.accc.gov.au](http://www.accc.gov.au)

## 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 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)  
Small businesses can also contact the Small Business Help Line on 1300 302 021.
- For more 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 the *Carbon price claims—Guide for business*, FAQs and other 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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#### Important notice

The information in this publication is for general guidance only. It does not constitute legal or other professional advice, and should not be relied on as a statement of the law in any jurisdiction. Because it is intended only as a general guide, it may contain generalisations. You should obtain professional advice if you have any specific concern.

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