

2001 ABN Conference Small Business Facilitators

“ACCC’s Role in Supporting Small Business”

**Address by
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Australian Competition & Consumer
Commission**



Tuesday 9 October 2001

Overview of Presentation

- Role of the ACCC
 - What it is
 - What it Covers
 - How it Works
- Small Business Initiatives
 - Support Program
 - Legal Protections
 - Uncoscionable Conduct
- Allies and Networks
- New Tax System Pricing Role
- Concluding Remarks
 - Questions



ACCC - What It Is

- Based on Trade Practices Act
- Promotes Competition & Consumer Protection
 - Through Fair & Informed Markets
- Widest Definition of “Consumers”
 - Household
 - Small, Medium & Big Business
 - Farmers
 - All Levels of Government
- If Buying Being Supplied Competitively & Efficiently
- If Selling Have Buyers Who Compete
- Expanded ACCC Role
 - Past Decade
 - New Law
 - Merger of TPC & PSA

ACCC - What It Covers

- Two Edged Sword
 - Benefits/Protection
 - Obligations
- Multi Pronged
 - Restrictive Trade Practices
 - Anti Competitive Structures
 - Unconscionable Conduct
 - Misleading or Deceptive Conduct
 - Regulation of Utility Sector Access & Pricing
- Competitive Implications
 - Level Playing Field
- TPA Link to Other Legislation
 - Price Surveillance
 - State Regimes



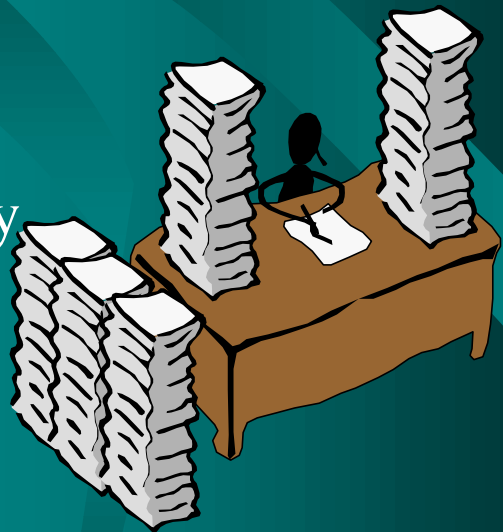
ACCC - How It Works

- Dual Role
 - Investigation / Enforcement
 - Compliance Through Education & Information
- Structure of Operation
- Alternatives to Court Action
 - Administrative Settlement
 - Undertakings (examples)
- Importance of Legal Determination
 - Clear Statement From Court
 - Publicity Important for Compliance
- Examples
 - Boral
 - Credit Card Fees



Raising Small Business Efforts

- Small Business Program
 - Changes to Law
 - Information & Support Network
 - Culture inside ACCC
 - Reinforced For Regional Australia
- Explaining Unconscionable Conduct
 - 51 AC Not Just Bargaining Strength
 - List of Unreasonable Conditions
- Main Areas
 - Supply Chain
 - Commercial Tenancy
 - Franchising
 - Finance/Credit
- Impact
 - Larger Business Compliance
 - Court Clarification / Interpretation



Unconscionable Conduct Developments

- Positive Court Outcomes
 - Retail Tenancy Cases
 - Franchising Cases
 - Finance Case
- Level of Complaints Stabilising
- Strengthening Remedies
 - Quick Administrative Response
 - Further TPA Amendments June 2001



Working with Allies & Networks

- Information & Liaison Role of Commission
 - Assisting Small Business To Avoid Problems
 - Part of Good Business Practice
 - Use of Media and Networks
- Networks
 - Industry Associations
 - Small Business Advisers
 - All Levels of Government
- Regular Consultation
- Use of media



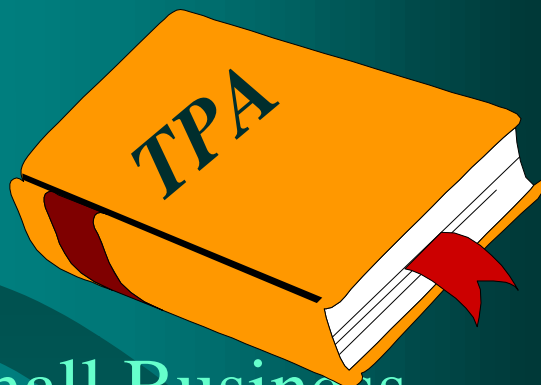
New Tax System Pricing

- **ACCC Major Role**
 - Strong Laws
 - Compliance Challenge
 - Significant Transition Process
 - Generally Excellent Compliance
 - Relatively Smooth Outcome
 - Avoided Price Spiral Effect
 - Chaos Would Have Harmed Small Business
- **Dispelling Myths**
 - No Price “Freeze”
 - Inadvertent Mistakes
 - Use of Publicity
- **Some Emerging Problems**
 - GST Inclusive Price Quotations
 - False Collection of GST



Conclusion

- TPA part of Good Business Management
 - Protections
 - Responsibilities
 - Help Profitability
- Co-operation with Small Business Advisers
 - Key Element of Small Business Support
 - Emphasis on Problem Avoidance
 - Encourage Private Negotiation & Mediation
 - Strategic solutions
- Best Outcomes
 - Fair & Informed Markets
 - Supply Chain Transparency & Efficiency
 - Avoidance of Anti-Competitive Practices
- Happy to Answer Questions



Contacting the ACCC

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**We Are Happy to Answer
Questions**