Our Ref:

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14 September 2012



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Dear

## Carbon price statements made by

I am writing to you regarding statements made by about the impact of the carbon price on its pricing structure.

I understand that a newsletter dated August 2012 was circulated to customers which stated that, "due to the major changes brought in by the Australian Government this year (carbon tax and the changes to the regulations) we have been impacted to increase our fees..."

I am concerned that the is making representations regarding the effect of the carbon price on the increased cost in childcare fees when it may not have a reasonable basis for making such claims.

## The ACCC and the Competition and Consumer Act 2010

The ACCC is responsible for administering the Competition and Consumer Act 2010 (CCA), which incorporates the Australian Consumer Law (ACL). Section 18 of the ACL prohibits persons from engaging in misleading or deceptive conduct in trade or commerce. False or misleading representations with respect to the price of goods or services are also prohibited by paragraph 29(1)(i) of the ACL.

## Carbon price statements

Implementation of the carbon tax commenced on 1 July 2012. The ACCC has a role assisting businesses to understand their obligations when making statements about the impact of the carbon price. Any business making such statements should have a <u>reasonable basis</u> for doing so. Consideration should also be given to the overall impression being conveyed to consumers.



The purpose of this letter is to inform you of the concerns raised by your statement relating to the carbon tax, and to alert you to your obligations under the ACL and to provide you with educative materials regarding carbon price claims. I have enclosed the publication *Carbon price claims* – a guide for business which may assist you to better understand your obligations under the ACL. Furthermore, you will find useful information regarding your rights and responsibilities at <a href="https://www.accc.gov.au/carbon">www.accc.gov.au/carbon</a>.

Having considered the information available to this office and the level of complaints received by the ACCC regarding the level of complaints. I do not propose to take any further action with respect to this matter at this time.

However, I ask you to consider your representation to customers as noted above and inform your staff of their obligations to ensure they do not make false statements or engage in misleading or deceptive conduct when making representations concerning the impact of the carbon price on the price increase in childcare fees.

Should the ACCC receive further information or complaints regarding this office may review its position on the matter.

If you wish to discuss this letter or its enclosure, please contact myself on 9325 0603 or Julie Trinh on 9325 0624.

Yours sincerely,

Martin Howard Assistant Director

Enforcement Operations Western Australia