

Editorial

This year has seen the introduction of a number of important competition and consumer protection reforms.

Two reforms to assist consumers comparing and purchasing products were introduced: component pricing, which requires the display on labelling and advertising of a total price; and unit pricing, which requires supermarket price labels to carry standard measurements.

The growth of national product and service markets requires a national consumer protection framework. The Australian Consumer Law has been developed to bring consumer protection laws across Australia into line and to provide the same level of protection for all consumers, wherever they live. The proposed new law is explained in this edition of *ACCC update*.

For business, a new law enacted in July means that individuals who engage in serious cartel conduct now face the prospect of significant gaol time.

Further reforms have been proposed in the communications industry, with the Minister for Broadband, Communications and the Digital Economy, Senator the Hon. Stephen Conroy, announcing the government's plans to address competition issues arising from Telstra's vertical and horizontal integration, and to give the Australian Competition and Consumer Commission greater oversight responsibilities.

But the competition and consumer policy reform program is not just about legislative change.

The ACCC has actively been pursuing agreements to open the way for more competition and to increase consumer protection.

In September the ACCC received court enforceable undertakings from lead players in the grocery and telecommunications industries.

Coles and Woolworths agreed not to include restrictive provisions in any new supermarket leases and, in the case of existing supermarket leases, not to enforce restrictive provisions until five years after the start of trading.

This means that the two companies will ultimately completely phase-out the use of restrictive provisions in shopping centre leases. These restrictive provisions inhibit competing supermarket operators from moving into shopping centres.

The agreement paves the way for new supermarket competition to emerge, giving consumers greater shopping choices and lower grocery prices because of an increase in competition.

In telecommunications, Telstra, Optus and Vodafone Hutchison agreed to stop the widespread practice of potentially exaggerated and misleading advertising of mobile phone, internet and international card call services.

These significant undertakings represent an important period of change in Australia's competition and consumer protection framework.

Australian Competition and Consumer Commission
23 Marcus Clarke Street, Canberra
Australian Capital Territory 2601

Cartoons by Pat Campbell

© Commonwealth of Australia 2009

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced without prior written permission from the Commonwealth available through the Australian Competition and Consumer Commission. Requests and inquiries concerning reproduction and rights should be addressed to the Director Publishing, Australian Competition and Consumer Commission, GPO Box 3131, Canberra ACT 2601 or by email to publishing.unit@acc.gov.au.

ISSN 1443-0681

ACCC 11/09_29404

Print Post approved PP255003/04404

www.accc.gov.au