

# Healthy 'report' card

For first year of the Australian Consumer Law



The ACCC has secured over **\$9 million** in penalties under the Australian Consumer Law that was introduced just over 12 months ago.

Deputy Chair Peter Kell said the ACCC was quick to make use of its new powers.

'Until the Australian Consumer Law (ACL) came into effect, the ACCC's ability to penalise dishonest conduct amounted to not much more than a slap on the wrist,' Mr Kell said. 'Now the punishments can better match the crime and we can respond in a more timely way.'

'Our recent action against Optus for misleading consumers in its advertising for broadband internet plans saw it fined \$5.26 million—the largest ever civil penalty for a consumer protection matter,' Mr Kell said. This matter is now the subject of an appeal by Optus.

In the 12 months since the new national consumer law powers and remedies were introduced the ACCC also oversaw the second highest penalty awarded to date—\$2.7 million award by the Federal Court against two overseas companies, Yellow Page Marketing BV and Yellow Publishing Limited, for sending thousands of misleading faxes and invoices to businesses in an attempt to obtain subscriptions to their online business directories.

Mr Kell said that while the laws had been in place for just over a year the courts have shown a willingness to order the penalties available under the ACL.

'As greater use is made of the new powers and penalties they will become a deterrent to others thereby increasing compliance with the law,' he said.

It is not only the record-breaking penalties that help protect Australian consumers. The ACL makes it easier to deal quickly and effectively with bad behaviour by giving out infringement notices for less serious matters. Infringement notices attract penalties of \$6600 for corporations and \$1320 for individuals.

The ACCC has issued more than 50 infringement notices since they became available from April last year and has received payments totalling more than \$300 000.

This includes 27 notices against SingTel Optus Pty Ltd totalling \$178 200

for what the ACCC considered was false and misleading conduct in the promotion of mobile phone plans.

For more serious matters where court action has been necessary the ACCC has been able to pursue penalties for each contravention of up to \$1.1 million for corporations and \$220 000 for individuals that became available under the ACL.