2010-2011

The Parliament of the Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT

Competition and Consumer Amendment Bill (No. 1) 2011

No. , 2011

(Treasury)

A Bill for an Act to amend the *Competition and Consumer Act 2010*, and for related purposes

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Th	ne Parliament of Australia enacts:
1 5	Short title
	This Act may be cited as the <i>Competition and Consumer Amendment Act (No. 1) 2011</i> .
2 (Commencement
	(1) Each provision of this Act specified in column 1 of the table
	commences, or is taken to have commenced, in accordance with
	column 2 of the table. Any other statement in column 2 has effe according to its terms.
	decording to its terms.

Commencemen	t information	
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to and anything in this Act not elsewhere cover by this table		Assent.
2. Schedule 1	The day after the end of the period of months beginning on the day this Acreceives the Royal Assent.	
No	This table relates only to the provision enacted. It will not be amended to deathis Act.	
(2) An	y information in column 3 of the table	e is not part of this Act.
	ormation may be inserted in this colu	-
ma	y be edited, in any published version	of this Act.
3 Schedule(s)		
Ea	ch Act that is specified in a Schedule	to this Act is amended or
_	ealed as set out in the applicable item	
	cerned, and any other item in a Scheo	dule to this Act has effect
acc	ording to its terms.	

Sch	edule 1—Amendments
Com	petition and Consumer Act 2010
1 Pa	ragraph 6(2)(b) Omit "44ZZRJ, 44ZZRK", substitute "44ZZRJ and 44ZZRK, Division 1A of Part IV, sections".
2 Aft	ter Division 1 of Part IV Insert:
Divis	sion 1A—Anti-competitive disclosure of pricing and other information
44ZZ	S Definitions
	In this Division:
	disclose has a meaning affected by section 44ZZU.
	<i>Division 1A goods or services</i> means goods or services to which this Division applies (see section 44ZZT).
	evidential burden, in relation to a matter, means the burden of adducing or pointing to evidence that suggests a reasonable possibility that the matter exists or does not exist.
	intermediary: see subsection 44ZZU(2).
	private disclosure to competitors: see section 44ZZV.
44ZZ	T Goods and services to which this Division applies
	(1) This Division applies to goods and services of the classes (however described) that are prescribed by the regulations for the purpose of this section.
	(2) Without limiting subsection (1), the regulations may limit the description of a class of goods or services by reference to any matters including (for example) any one or more of the following:

1	(a)	a kind of supplier of goods or services;
2	(b)	a kind of industry or business in which goods or services are
3		supplied;
4	(c)	the circumstances in which goods or services are supplied.
5	44ZZU Provisi	ons affecting whether a corporation has disclosed
6	info	rmation to a person
7	Disci	losure to director, employee or agent etc.
8	(1) For t	he purpose of this Division:
9	(a)	a disclosure of information that is made to a person in the
10		person's capacity as a director, employee or agent of a body
11		corporate is taken to have been made to that body corporate;
12		and
13	(b)	a disclosure of information that is made to a person in the
14		person's capacity as an employee or agent of another person
15		(not being a body corporate) is taken to have been made to
16		that other person.
17	Disci	losure through intermediary
18	(2) If:	
19	(a)	a corporation makes a disclosure of information to a person
20		(the <i>intermediary</i>); and
21	(b)	the corporation makes the disclosure to the intermediary for
22		the purpose of the intermediary disclosing (or arranging for
23		the disclosure of) the information to one or more other
24		persons; and
25	(c)	the information is so disclosed to one or more of those other
26	_	persons (the <i>recipients</i>);
27		for the purpose of this Division:
28	(d)	the disclosure of the information to the recipients is taken to
29		have been made by the corporation; and
30	(e)	the disclosure of the information to the intermediary is to be
31		disregarded (unless the intermediary is a competitor or
32		potential competitor of the corporation in a market).

1		Accidental disclosure
2 3	(3)	For the purpose of this Division, the disclosure of information by a corporation to another person (the <i>recipient</i>) is to be disregarded if
4		the disclosure to the recipient is due to:
5		(a) an accident; or
6		(b) the default of a person other than the corporation; or
7		(c) some other cause beyond the control of the corporation.
8 9		Note: This subsection does not apply to a disclosure of information covered by subsection (2).
10		Section 84 not limited
11	(4)	This section does not limit section 84.
12	44ZZV M	eaning of private disclosure to competitors
13		Main definition
14	(1)	A disclosure of information by a corporation is a private disclosure
15		to competitors, in relation to a particular market, if the disclosure is
16 17		to one or more competitors or potential competitors of the corporation in the market, and is not to any other person.
18 19 20		Note: The effect of section 44ZZU must be taken into account in working out whether the disclosure is to one or more competitors or potential competitors, and is not to any other person.
21		Anti-avoidance
22	(2)	For the purpose of determining whether a corporation has made a
23	(2)	private disclosure to competitors in relation to a particular market,
24		the fact that the disclosure is also made to a person who is not a
25		competitor or potential competitor of the corporation in the market
26		is to be disregarded if the corporation (or an intermediary) made
27		the disclosure to the person for the purpose of avoiding the
28		application of section 44ZZW.
29		Fact that the information is otherwise available is not relevant
30	(3)	The question whether a disclosure of information by a corporation
31	. ,	is a private disclosure to competitors is not affected by the
32		information otherwise being or becoming available to competitors

1 2	or potential competitors of the corporation in the market, or to other persons.
3 4	44ZZW Corporation must not make private disclosure of pricing information etc. to competitors
5	A corporation must not make a disclosure of information if:
6	(a) the information relates to a price for, or a discount,
7 8 9	allowance, rebate or credit in relation to, Division 1A goods or services supplied or likely to be supplied, or acquired or likely to be acquired, by the corporation in a market (whether
10	or not the information also relates to other matters); and
11	(b) the disclosure is a private disclosure to competitors.
12 13	Note: Conduct that would otherwise contravene this section can be authorised under subsection 88(6A).
14 15 16	44ZZX Corporation must not make disclosure of pricing information etc. for purpose of substantially lessening competition
17	The prohibition
18	(1) A corporation must not make a disclosure of information if:
19 20	(a) the information relates to one or more of the following (whether or not it also relates to other matters):
21	(i) a price for, or a discount, allowance, rebate or credit in
22	relation to, Division 1A goods or services supplied or
23	likely to be supplied, or acquired or likely to be
24	acquired, by the corporation;
25	(ii) the capacity, or likely capacity, of the corporation to
26	supply or acquire Division 1A goods or services;
27 28	(iii) any aspect of the commercial strategy of the corporation that relates to Division 1A goods or services; and
29 30	(b) the corporation makes the disclosure for the purpose of substantially lessening competition in a market.
31 32	Note: Conduct that would otherwise contravene this section can be authorised under subsection 88(6A).

1		Determining whether disclosure made for purpose of substantially
2		lessening competition
3	(2)	In determining, for the purpose of this section, if a corporation has
4		made a disclosure for the purpose of substantially lessening
5		competition in a market, the matters to which the court may have
6		regard include (but are not limited to):
7		(a) whether the disclosure was a private disclosure to
8		competitors; and
9		(b) the degree of specificity of the information; and
10 11		(c) whether the information relates to past, current or future activities; and
12		(d) how readily available the information is to the public; and
13		(e) whether the disclosure is part of a pattern of similar
14		disclosures by the corporation.
15	(3)	Without limiting the manner in which the purpose of a person may
16	(5)	be established for the purposes of any other provision of this Act, a
17		corporation may be taken to have made a disclosure of information
18		for the purpose of substantially lessening competition in a market
19		even though, after all the evidence has been considered, the
20		existence of that purpose is ascertainable only by inference from
21		the conduct of the corporation or of any other person or from other
22		relevant circumstances.
23	44ZZY Ex	exceptions that apply to sections 44ZZW and 44ZZX
24		Disclosure authorised by law
25	(1)	Sections 44ZZW and 44ZZX do not apply to the disclosure of
26		information by a corporation if:
27		(a) the disclosure is authorised by or under a law of the
28		Commonwealth, a State or a Territory; and
29		(b) the disclosure occurs before the end of 10 years after the day
30		on which the Competition and Consumer Amendment Act
31		(No. 1) 2011 receives the Royal Assent.
32 33		Note: This subsection has effect in addition to subsection 51(1) (which
)3		covers things authorised by certain laws).

1		Disclosure to related bodies corporate
2 3 4	(2)	Sections 44ZZW and 44ZZX do not apply to the disclosure of information by a corporation if the disclosure is to one or more bodies corporate that are related to the corporation, and is not to
5		any other person.
6 7 8		Note: The effect of section 44ZZU must be taken into account in working out whether the disclosure is to one or more bodies corporate that are related to the corporation, and is not to any other person.
9	44ZZZ A	dditional exceptions that only apply to section 44ZZW
10		Disclosure if supply or acquisition is for the purpose of re-supply
11 12	(1)	Section 44ZZW does not apply to the disclosure of information by a corporation to a person (the <i>recipient</i>) if:
13		(a) the information relates to a price for, or a discount,
14		allowance, rebate or credit in relation to, Division 1A goods
15		or services supplied or likely to be supplied, by the
16		corporation to the recipient, for the purpose of re-supply by
17		the recipient; or
18		(b) the information relates to a price for, or a discount,
19		allowance, rebate or credit in relation to, Division 1A goods
20		or services acquired or likely to be acquired, by the
21		corporation from the recipient, for the purpose of re-supply
22		by the corporation.
23		Disclosure to unknown competitor
24	(2)	Section 44ZZW does not apply to the disclosure of information by
25		a corporation to a person if:
26		(a) the person is a competitor or potential competitor of the
27		corporation in the market referred to in that section; and
28		(b) the corporation did not know, and could not reasonably be
29		expected to have known, that the person was such a
30		competitor or potential competitor.
31		Disclosure to participants in joint venture
32	(3)	Section 44ZZW does not apply to the disclosure of information by
33	` '	a corporation if:

1	(a) the corporation is a participant in a joint venture for the
2	production and/or supply of goods or services; and
3	(b) the disclosure is to one or more participants in the joint
4	venture, and is not to any other person; and
5	(c) the disclosure is made for the purposes of the joint venture.
6	Note: The effect of section 44ZZU must be taken into account in working
7 8	out whether the disclosure is to one or more participants in the joint venture, and is not to any other person.
9	Disclosure relating to acquisition of shares or assets
10	(4) Section 44ZZW does not apply to the disclosure of information by
11	a corporation in so far as the information is disclosed in connection
12	with a contract, arrangement or understanding that provides, or a
13	proposed contract, arrangement or understanding that would
14	provide, for the acquisition of any shares in the capital of a body corporate, or any assets of a person, by or from the corporation.
15	
16 17	Note: For the meaning of acquisition of shares, and acquisition of assets, see subsection 4(4).
18	44ZZZA Burden of proof
19	If:
20 21	(a) proceedings are brought against a person in relation to section 44ZZW or 44ZZX; and
22	(b) the person seeks to rely on subsection 44ZZU(3), or on a
23	subsection of section 44ZZY or 44ZZZ;
24	the person bears an evidential burden in relation to the matters set
25	out in that subsection on which the person seeks to rely.
26	3 Paragraph 84(1)(b)
27	Omit "44ZZRJ, 44ZZRK,", substitute "44ZZRJ or 44ZZRK,
28	Division 1A of Part IV, section".
29	4 Paragraph 84(3)(b)
30	After "44ZZRK", insert ", Division 1A of Part IV,".
31	5 After subsection 88(6)
32	Insert:

Schedule 1 Amendments

1 2 3 4 5	(6A)	Subject to this Part, the Commission may, on application by or on behalf of a corporation, grant an authorisation to the corporation to make a particular disclosure of information to which section 44ZZW or 44ZZX would or might apply. While the authorisation remains in force, that section does not apply in relation to the corporation making the disclosure.
7	(6B)	The Commission does not have power to grant an authorisation
8		under subsection (6A) to a corporation to make a particular
9		disclosure of information if the disclosure occurred before the
10		Commission makes a determination in respect of the application.
11	(6C)	An application made to the Commission under subsection (6A) for
12		an authorisation in relation to a particular disclosure of information
13		may be expressed to be made also in relation to one or more other
14		similar disclosures of information. If an application is so
15		expressed, the Commission may grant a single authorisation in
16		respect of all the disclosures or may grant separate authorisations
17		in respect of any one or more of the disclosures.
18	6 After si	ubsection 90(5B)
19	Inse	rt:
20	(5C)	The Commission must not make a determination granting an
21	(30)	authorisation under subsection 88(6A) in respect of a proposed
22		disclosure of information to which section 44ZZW would or might
23		apply, unless the Commission is satisfied in all the circumstances
24		that the proposed disclosure would result, or be likely to result, in
25		such a benefit to the public that the proposed disclosure should be
26		allowed to be made.
27	(5D)	The Commission must not make a determination granting an
28	,	authorisation under subsection 88(6A) in respect of a proposed
29		disclosure of information to which section 44ZZX would or might
30		apply, unless the Commission is satisfied in all the circumstances:
31		(a) that the proposed disclosure would result, or be likely to
32		result, in a benefit to the public; and
33		(b) that the benefit would outweigh the detriment to the public
34		constituted by any lessening of competition that would result,
		1 11 1 . 1. 10 1 . 1 1 1 1 1
35		or be likely to result, if the corporation so disclosed the
35 36		or be likely to result, if the corporation so disclosed the information.

10

Amendments Schedule 1

1 2	7 Subsection 91A(4) After "(5B)", insert ", (5D)".
3	8 Subsection 91A(5) Omit "90(8)", substitute "90(5C), (8)".
5 6	9 Subsection 91B(5) After "(5B),", insert "(5C), (5D),".
7 8	10 Subsection 91C(7) After "(5B),", insert "(5C), (5D),".
9 10	11 Subsection 101(1A) After "(5B),", insert "(5C), (5D),".
11 12	12 Subsection 101(2) After "(5B),", insert "(5C), (5D),".
13 14	13 After Division 1 of Part 1 of Schedule 1 Insert:
15 16	Division 1A—Anti-competitive disclosure of pricing and other information
17	44ZZS Definitions
18	In this Division:
19	disclose has a meaning affected by section 44ZZU.
20 21	Division 1A goods or services means goods or services to which this Division applies (see section 44ZZT).
22 23 24	<i>evidential burden</i> , in relation to a matter, means the burden of adducing or pointing to evidence that suggests a reasonable possibility that the matter exists or does not exist.
25	intermediary: see subsection 44ZZU(2).
26	private disclosure to competitors: see section 44ZZV.

11

1	44ZZT Goods and services to which this Division applies
2 3 4	This Division applies to goods and services of the classes prescribed by the regulations for the purpose of section 44ZZT of the <i>Competition and Consumer Act 2010</i> .
5	44ZZU Provisions affecting whether a person has disclosed
6	information to another person
7	Disclosure to director, employee or agent etc.
8	(1) For the purpose of this Division:
9 10 11 12	(a) a disclosure of information that is made to a person in the person's capacity as a director, employee or agent of a body corporate is taken to have been made to that body corporate; and
13 14 15	(b) a disclosure of information that is made to a person in the person's capacity as an employee or agent of another person (not being a body corporate) is taken to have been made to
16	that other person.
17	Disclosure through intermediary
18	(2) If:
19 20	(a) a person (the <i>first person</i>) makes a disclosure of information to another person (the <i>intermediary</i>); and
21 22 23	(b) the first person makes the disclosure to the intermediary for the purpose of the intermediary disclosing (or arranging for the disclosure of) the information to one or more other
24	persons; and
2526	(c) the information is so disclosed to one or more of those other persons (the <i>recipients</i>);
27	then, for the purpose of this Division:
28 29	(d) the disclosure of the information to the recipients is taken to have been made by the first person; and
30 31	(e) the disclosure of the information to the intermediary is to be disregarded (unless the intermediary is a competitor or
32	potential competitor of the first person in a market).

1		Accidental disclosure
2 3 4	(3)	For the purpose of this Division, the disclosure of information by a person (the <i>first person</i>) to another person (the <i>recipient</i>) is to be disregarded if the disclosure to the recipient is due to:
5		(a) an accident; or
6		(b) the default of a person other than the first person; or
7		(c) some other cause beyond the control of the first person.
8 9		Note: This subsection does not apply to a disclosure of information covered by subsection (2).
10		Section 84 not limited
11	(4)	This section does not limit section 84.
12	44ZZV M	leaning of private disclosure to competitors
13		Main definition
14	(1)	A disclosure of information by a person is a <i>private disclosure to</i>
15		competitors, in relation to a particular market, if the disclosure is to
16 17		one or more competitors or potential competitors of the person in the market, and is not to any other person.
18 19 20		Note: The effect of section 44ZZU must be taken into account in working out whether the disclosure is to one or more competitors or potential competitors, and is not to any other person.
21		Anti-avoidance
22	(2)	For the purpose of determining whether a person (the <i>first person</i>)
23		has made a private disclosure to competitors in relation to a
24		particular market, the fact that the disclosure is also made to
25		another person who is not a competitor or potential competitor of
26		the first peson in the market is to be disregarded if the first person
27 28		(or an intermediary) made the disclosure to the other person for the purpose of avoiding the application of section 44ZZW.
29		Fact that the information is otherwise available is not relevant
30	(3)	The question whether a disclosure of information by a person is a
31	. ,	private disclosure to competitors is not affected by the information
32		otherwise being or becoming available to competitors or potential
33		competitors of the person in the market, or to other persons.

1	44ZZW Person must not make private disclosure of pricing
2	information etc. to competitors
3	A person must not make a disclosure of information if:
4 5 6 7	(a) the information relates to a price for, or a discount, allowance, rebate or credit in relation to, Division 1A goods or services supplied or likely to be supplied, or acquired or likely to be acquired, by the person in a market (whether or
8	not the information also relates to other matters); and
9	(b) the disclosure is a private disclosure to competitors.
10 11	Note: Conduct that would otherwise contravene this section can be authorised under subsection 88(6A).
12	44ZZX Person must not make disclosure of pricing information etc.
13	for purpose of substantially lessening competition
14	The prohibition
15	(1) A person must not make a disclosure of information if:
16	(a) the information relates to one or more of the following
17	(whether or not it also relates to other matters):
18 19 20	(i) a price for, or a discount, allowance, rebate or credit in relation to, Division 1A goods or services supplied or likely to be supplied, or acquired or likely to be
21	acquired, by the person;
22 23	(ii) the capacity, or likely capacity, of the person to supply or acquire Division 1A goods or services;
24 25	(iii) any aspect of the commercial strategy of the person that relates to Division 1A goods or services; and
26 27	(b) the person makes the disclosure for the purpose of substantially lessening competition in a market.
28 29	Note: Conduct that would otherwise contravene this section can be authorised under subsection 88(6A).
30 31	Determining whether disclosure made for purpose of substantially lessening competition
32 33 34 35	(2) In determining, for the purpose of this section, if a person has made a disclosure for the purpose of substantially lessening competition in a market, the matters to which the court may have regard include (but are not limited to):

1 2	(a) whether the disclosure was a private disclosure to competitors; and
3	(b) the degree of specificity of the information; and
4 5	(c) whether the information relates to past, current or future activities; and
6	(d) how readily available the information is to the public; and
7	(e) whether the disclosure is part of a pattern of similar
8	disclosures by the person.
9	(3) Without limiting the manner in which the purpose of a person may
10	be established for the purposes of any other provision of this Act, a
11	person may be taken to have made a disclosure of information for
12	the purpose of substantially lessening competition in a market even though, after all the evidence has been considered, the existence of
13 14	that purpose is ascertainable only by inference from the conduct of
15	the person or of any other person or from other relevant
16	circumstances.
17 18	44ZZY Exceptions that apply to sections 44ZZW and 44ZZX Disclosure authorised by law
	·
19 20	(1) Sections 44ZZW and 44ZZX do not apply to the disclosure of information by a person if:
21 22	(a) the disclosure is authorised by or under a law of the Commonwealth, a State or a Territory; and
23	(b) the disclosure occurs before the end of 10 years after the day
24	on which the Competition and Consumer Amendment Act
25	(No. 1) 2011 receives the Royal Assent.
26 27	Note: This subsection has effect in addition to subsection 51(1) (which covers things authorised by certain laws).
28	Disclosure to related bodies corporate
29	(2) Sections 44ZZW and 44ZZX do not apply to the disclosure of
30	information by a body corporate (the first body corporate) if the
31	disclosure is to one or more other bodies corporate that are related
32	to the first body corporate, and is not to any other person.
33	Note: The effect of section 44ZZU must be taken into account in working
34 35	out whether the disclosure is to one or more bodies corporate that are related to the first body corporate, and is not to any other person.
	• • •

1	44ZZZ Additional exceptions that only apply to section 44ZZW
2	Disclosure if supply or acquisition is for the purpose of re-supply
3	(1) Section 44ZZW does not apply to the disclosure of information by
4	a person (the <i>first person</i>) to another person (the <i>recipient</i>) if:
5	(a) the information relates to a price for, or a discount,
6	allowance, rebate or credit in relation to, Division 1A goods
7	or services supplied or likely to be supplied, by the first
8	person to the recipient, for the purpose of re-supply by the
9	recipient; or
10	(b) the information relates to a price for, or a discount,
11	allowance, rebate or credit in relation to, Division 1A goods
12	or services acquired or likely to be acquired, by the first
13	person from the recipient, for the purpose of re-supply by the
14	first person.
15	Disclosure to unknown competitor
16	(2) Section 44ZZW does not apply to the disclosure of information by
17	a person (the <i>first person</i>) to another person (the <i>recipient</i>) if:
18	(a) the recipient is a competitor or potential competitor of the
19	first person in the market referred to in that section; and
20	(b) the first person did not know, and could not reasonably be
21	expected to have known, that the recipient was such a
22	competitor or potential competitor.
23	Disclosure to participants in joint venture
24	(3) Section 44ZZW does not apply to the disclosure of information by
25	a person if:
26	(a) the person is a participant in a joint venture for the
27	production and/or supply of goods or services; and
28	(b) the disclosure is to one or more participants in the joint
29	venture, and is not to any other person; and
30	(c) the disclosure is made for the purposes of the joint venture.
31	Note: The effect of section 44ZZU must be taken into account in working
32	out whether the disclosure is to one or more participants in the joint
33	venture, and is not to any other person.

Amendments Schedule 1

1	Disclosure relating to acquisition of shares or assets
2	(4) Section 44ZZW does not apply to the disclosure of information by
3	a person (the <i>first person</i>) in so far as the information is disclosed
4	in connection with a contract, arrangement or understanding that
5	provides, or a proposed contract, arrangement or understanding
6	that would provide, for the acquisition of any shares in the capital
7	of a body corporate, or any assets of a person, by or from the first
8	person.
9 10	Note: For the meaning of acquisition of shares, and acquisition of assets, see subsection 4(4).
11	44ZZZA Burden of proof
12	If:
13	(a) proceedings are brought against a person in respect of
14	section 44ZZW or 44ZZX; and
15	(b) the person seeks to rely on subsection 44ZZU(3), or on a
16	subsection of section 44ZZY or 44ZZZ;
17	the person bears an evidential burden in relation to the matters set
18	out in that subsection on which the person seeks to rely.

17