



Fact Sheet

Exposure Draft – Treasury Laws Amendment Bill 2024: Acquisitions

Mergers and acquisitions (acquisitions) are important for building a more productive and dynamic economy. While most acquisitions are unlikely to raise competition concerns, some can harm competition, allowing businesses to raise prices and not pass economic gains on to consumers. Australia's merger control system plays a crucial gatekeeper role in focusing on the small number of acquisitions that could substantially lessen competition, harming consumers and the wider economy. Discouraging such acquisitions, and stopping those that try to proceed, is crucial for maintaining downward pressure on the cost of living.

In April 2024, the Australian Government announced reforms to Australia's merger rules to promote competition, protect consumers and provide greater certainty by streamlining the approvals process. The reforms will deliver a merger control system that is faster, stronger, and simpler. A risk-based system, it will be better targeted and the ACCC better equipped to identify those acquisitions most likely to result in harm to competition, consumers and businesses.

These reforms will be implemented principally through amendments to the *Competition and Consumer Act 2010* (and associated subordinate legislation). Treasury has released an Exposure Draft of these amendments to provide stakeholders an opportunity to review and provide feedback.

The Exposure Draft sets out the framework for the new merger control system and its key elements, including notification rules, timelines, the suspensory rule, tests for competition and substantial public benefit determinations, limited merits review in the Australian Competition Tribunal, and transitional arrangements.

Treasury will consult on the regulations, which will cover notification thresholds, fees, and the ACCC's public register and associated transparency safeguards later this year.

Consultation and questions

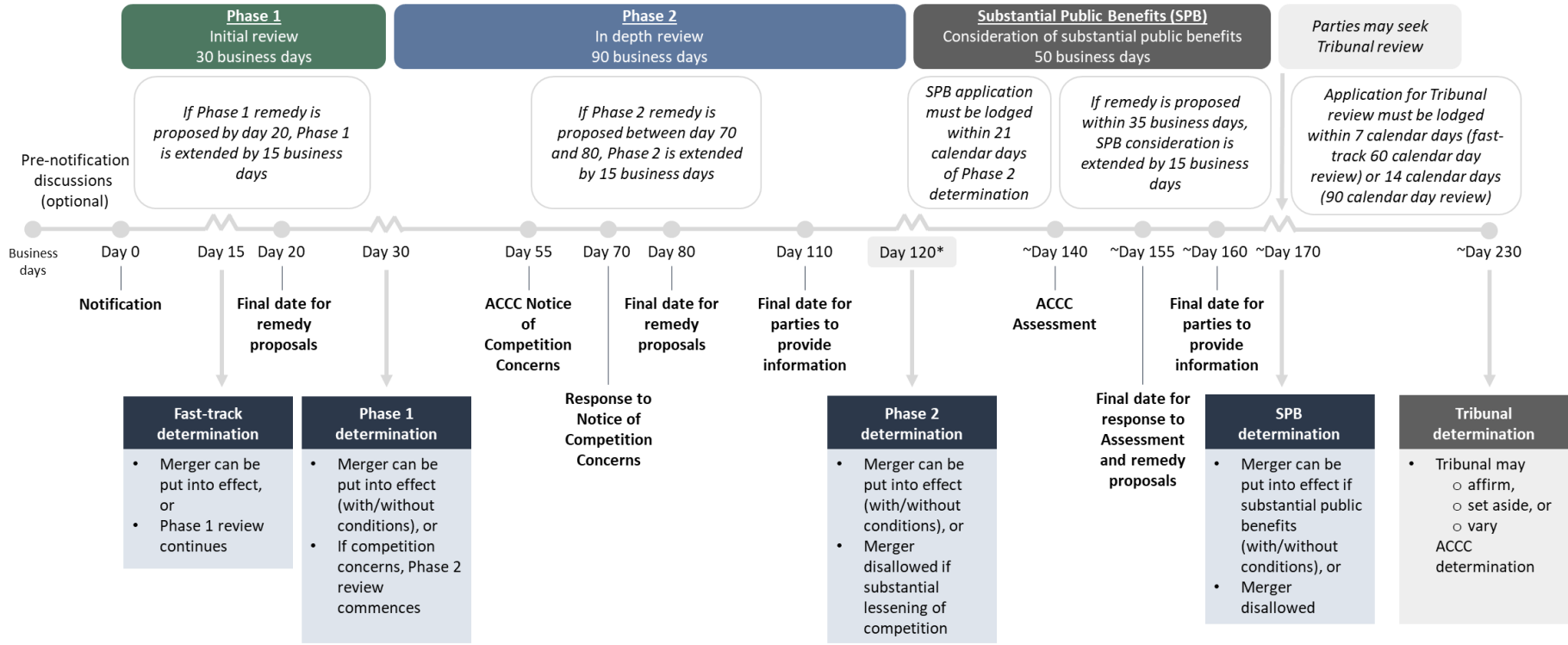
Treasury invites submissions providing feedback on the Exposure Draft. Please visit treasury.gov.au/review/competition-review-2023/mergers for more information. Consultation on the Exposure Draft will inform the finalisation of the legislation. If you have any questions, please reach out to the Competition Review Taskforce: competitiontaskforce@treasury.gov.au.

Exposure Draft – a faster, stronger and simpler merger system

Purpose	References	Outcome
Targeted mandatory notification thresholds	Section 45AW; Section 51ABG; Section 51ABH	<ul style="list-style-type: none"> ✓ Targeting acquisitions of shares or assets that may affect the competitive structure of a market. ✓ Allows notification thresholds to be set in regulation using metrics such as turnover, transaction value, and market concentration. ✓ Minister may set targeted notification obligations in response to evidence-based concerns regarding certain high-risk acquisitions.
Suspensory timelines supporting prompt review	Section 45AY; Section 51ABJ; Part IVA, Division 3, Subdivision B	<ul style="list-style-type: none"> ✓ Clear review timelines are an important procedural safeguard and will assist merger parties in transaction planning and interested stakeholders to engage with the ACCC's review. ✓ Initial 'Phase 1' review period of up to 30 business days or 'fast-track' determination if no concerns are identified after 15 business days. ✓ In-depth 'Phase 2' review period of up to 90 business days.
Stronger, expert administrative decision-maker	Part IVA, Division 3	<ul style="list-style-type: none"> ✓ The ACCC will determine whether an acquisition may or may not be put into effect, with or without conditions. ✓ Penalties apply for failure to comply with requirement to notify, breach of the requirement to suspend completion of an acquisition, and/or for providing false or misleading information.
Empowering the ACCC to protect competition and consumers	Section 4G; Section 51ABX	<ul style="list-style-type: none"> ✓ Clarifies that a substantial lessening of competition can result from creating, strengthening or entrenching substantial market power. ✓ Ensures adequate focus on the conditions for competition, promoting competition and protecting consumers. ✓ Includes guiding principles to assist the ACCC in its role as an administrative decision-maker and ensure explicit emphasis is placed on economic methodology and analysis of competitive effects.
Effective review of serial acquisitions	Section 51ABG; Section 51ABZ	<ul style="list-style-type: none"> ✓ The combined effect of all acquisitions within the previous three years by the acquisition parties may be considered as part of the review of the notifiable acquisition and aggregated for determining if the notification thresholds are met.
Recognise acquisitions in the national interest	Part IVA, Division 4	<ul style="list-style-type: none"> ✓ Permits an acquisition, following the ACCC's competition assessment, where it is likely to result in a benefit to the public that would substantially outweigh the detriment to the public resulting from the acquisition.

Purpose	References	Outcome
Transparency and predictability	Section 51ABZX; Section 51ABZE	<ul style="list-style-type: none"> ✓ Greater transparency around decision-making with the publication of information and documents on a public register. ✓ Notice of ACCC competition concerns with material facts, evidence, and other information will be provided to notifying parties in Phase 2.
Review of ACCC determinations and procedural safeguards	Part IX, Division 1A and 1B	<ul style="list-style-type: none"> ✓ ACCC determinations subject to merits review by the Australian Competition Tribunal, a specialist body with independent economic, business and legal expertise, based on material before the ACCC. ✓ Option of fast-track or standard procedure for Tribunal review. ✓ Ensures procedural fairness and fast reviews of ACCC determinations.
Transitional Arrangements	Various	<ul style="list-style-type: none"> ✓ Businesses must notify the ACCC of notifiable acquisitions from 1 January 2026 and will be able to voluntarily notify under the new system from 1 December 2025. ✓ Businesses can continue to voluntarily engage with the ACCC via its informal merger review process until 31 December 2025. ✓ Merger authorisation will be closed to new applications from 1 July 2025.

Exposure Draft – Treasury Laws Amendment Bill 2024: Acquisitions: Review Timelines (Phase 1, Phase 2 and Substantial Public Benefit)



*Parties may lodge a SPB application or seek Tribunal review