

Sims asks: Will competition survive COVID-19?

Source: <https://www.accc.gov.au/speech/will-competition-survive-the-current-crises>

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Abstract:

On 30 March 2020, the Chairman of the Australian Competition and Consumer Commission (ACCC), Rod Sims, spoke to the Australian Financial Review Banking & Wealth Summit 2020. Sims addressed the critical role competition has in the Australian economy.

Sims gave three reasons for his belief that competition must and will survive COVID-19:

1. **Timing of market recovery will be clear:** While the recovery time from a financial crisis is less clear, health professionals will advise when Australians can restart business so there will be definitive point in time when the economy can start to repair.
2. **Immediate, sensible and temporary economic measures are required:** Key government departments such as the RBA, ATO, APRA, ASIC and ACCC will play a key role in providing regulatory relief. The ACCC has already implemented the following regulatory measures:
 - i. **Authorising otherwise anti-competitive conduct** to allow competitors to co-ordinate their response and share information and resources. So far, the ACCC has provided relief to supermarkets, banks, airlines and the healthcare sector. The ACCC is prioritising these authorisations and reviewing them speedily.
 - ii. **Establishment of the COVID-19 taskforce**, which has been created to assist with emerging consumer issues and scams, including dealing with misleading and deceptive conduct and reviewing pricing in essential services sectors. Sims commented that he is particularly keen to ensure that there is adequate supply of groceries and fresh produce to small business providers.
3. **Recovery will be greatly assisted by the competitive structure of the economy** being maintained as well as continued work on economic reforms. The ACCC has stated that it will not take a different or lenient approach to merger assessments but will continue to protect the competitive structure of the economy. Smaller businesses will need support to survive and improved competition in financial services will be driven by the Government's Consumer Data Right initiative. This work will continue and will benefit competition, consumers and the economy in the long term.