



## BUSINESSES AND THE CARBON PRICE

### *Most people would by now be aware that on 1 July the Federal Government will introduce a carbon price.*

Under the scheme, a carbon price will apply to certain greenhouse emissions, with some large businesses being required to purchase carbon credits.

While some businesses will have to purchase carbon credits, others may also be affected as suppliers pass on the extra costs associated with the carbon price.

In either case, businesses can choose to pass on their extra costs by increasing prices.

But if businesses claim their prices have gone up or are about to go up because of the carbon price, they must ensure

their claims are truthful, have a reasonable basis and do not mislead consumers or other businesses.

If you are a business, making such claims in your advertising and promotional material, or in sale pitches to customers, you should be careful not to overstate the impact of the carbon price on your prices.

If you choose to make a claim about the impact of the carbon price, make sure you have confidence in the claim. The type of information you should have regard to before making a claim about the impact of the carbon price will depend on the type of claim made.

If your business is considering making a claim about the impact of the carbon price, information you should consider before making a claim includes:

- invoices showing the impact of the carbon price on your supply chain or business input costs; for example, raw materials, packaging and transport, where relevant
- notices or invoices showing the impact of the carbon price on the cost of your services; for example, electricity, gas, waste disposal and travel
- invoices and other information showing the impact on your products or services before and after a price change may be relevant if you make a claim about a percentage change over a certain period of time
- calculations from an appropriate business calculator that considers increased costs relevant to your particular business or industry
- information from your professional advisors or consultants; for example, accountant reports showing the impact of the carbon price on your business' input costs
- information from your industry association and the government which may provide guidance as to the likely price impacts as a result of the carbon price in certain industries, noting that information that deals with your specific business model is more likely to reflect your particular costs.

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There are tips that can help you avoid being misled.

For businesses, look at what other suppliers are charging for similar products and services, and what they are saying about the impact of the carbon price.

Also, think twice before taking up supplier offers that say prices have gone up due to the carbon price before 1 July 2012.

It is unlikely there will be many justifiable carbon-related price increases before the carbon price starts. However, some businesses may announce their intended price rises before that date.

For consumers, ask questions and shop around. Think twice before taking up offers

that say prices have gone up due to the carbon price before 1 July 2012.

Watch out for scams offering to pay carbon compensation into your bank account or claiming you need to pay or transfer money to receive a compensation payment or a tax refund.

The ACCC does not have a role in formally monitoring, setting or restricting prices linked to the carbon price and cannot stop a business from putting up its prices as a result of the carbon price. However it can act against misleading claims if a business falsely links a price rise with the carbon price.

If you suspect a business is making false, misleading or deceptive claims about the

impact of the carbon price, contact the ACCC to make an inquiry or a complaint.

## Further information

### ACCC

- For more business information on carbon price claims see *Carbon price claims—Guide for business*, frequently asked questions and Business Snapshots available at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)
- For more consumer information see *Consumers and carbon price claims* and FAQs available at [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)
- Businesses and consumers with complaints and inquiries can contact the ACCC Infocentre on 1300 302 502 or by using the forms at [www.accc.gov.au](http://www.accc.gov.au)
- Small businesses can also contact the Small Business help line on 1300 302 021.

### Clean Energy Future

For more information about how the carbon price works, visit [www.cleanenergyfuture.gov.au](http://www.cleanenergyfuture.gov.au) or call 1800 057 590.

