

Article Information

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Resale Price Maintenance: when might the ACCC take an interest in your activities?

The ACCC has recently investigated Connected Audio Visual Pty Ltd (CAV) for resale price maintenance. CAV has admitted to engaging in resale price maintenance and has agreed to enter into a court enforceable undertaking. CAV is an Australian-owned company based in NSW that provides entertainment, security and energy management solutions for homes and businesses as well as car audio and dash cam products to independent retailers across the country. It is the exclusive Australian distributor for the dash cam and car audio brands IROAD and MB Quart. In April 2025 the ACCC received a complaint about CAV attempting to prevent retailers from selling goods below a specific price. This conduct raised concerns of resale price maintenance contraventions which triggered an ACCC investigation into CAV.[\[1\]](#)

In this Insight we examine the concept of resale price maintenance. We consider what conduct should be avoided for risk of being in breach of the Competition and Consumer Act 2010 (Cth) (the **Act**) and its protections prohibiting resale price maintenance and discuss the recent ACCC investigation into CAV and the resulting court enforceable undertaking.

What is Resale Price Maintenance?

Resale price maintenance occurs where a supplier prevents or attempts to prevent a business from advertising or selling products below a specified minimum price. Two examples of conduct by a supplier that could be considered to be resale price maintenance include:

1. a handbag supplier advises a fashion retailer that it will only supply the retailer with handbags if the retailer agrees to sell the handbags for more than \$1,200.
2. a handbag supplier offers a 10% discount to a fashion retailer if the retailer agrees to sell the supplier's handbags for more than recommended retail price (**RRP**). The supplier will still supply the retailer handbags, even if the retailer refuses to sell for more than the RRP, but the retailer will only receive the discount if the bags are sold for more than the RRP.

A supplier can provide a RRP for their goods or services but this is only a recommended price. The final price at which a retailer wants to sell the goods or services should be an independent decision which cannot be controlled by the supplier. A supplier can impose a maximum price (e.g., it is likely reasonable for a handbag supplier to advise a retailer that the handbags have a RRP which is \$1,200 with a maximum resale price of \$1,600) as resale price maintenance only applies to imposing a minimum price.

What does the Act require?

Section 96(3) of the Act outlines the different types of conduct that can be classified as resale price maintenance. Such conduct can include where a supplier:

- Refuses to supply goods unless the retailer agrees not to sell the goods for less than the supplier's RRP;
- sets minimum prices in formal policies or agreements;
- offers a retailer a discount if they agree to sell at or above a minimum price; and
- punishes a retailer who refuses to agree to sell below a minimum price.

Pursuant to section 48 of the Act, resale price maintenance is a *per se* breach, which means the conduct is illegal whether or not it has the purpose, effect or likely effect of substantially lessening competition.

Connected Audio Visual Pty Ltd's Conduct

CAV requested a large number of retailers to sell CAV products at a specified price and where a retailer refused, CAV refused to supply the retailer with the relevant products. Consequently, CAV admitted its conduct constituted resale price maintenance.

In April 2025, CAV changed certain clauses in their distribution agreements and emailed 258 retailers (some of whom CAV already did business with and some who were potential new customers) requesting they agree to advertising specific products (e.g., dash cams and subwoofers) online at the RRP that CAV provided. If a retailer with whom CAV already did business did not respond to the request, CAV consequently put the retailer's account on hold. There was one retailer who refused to agree to the request and CAV closed the retailer's account in retaliation.

Many of the retailers accepted the terms and between April and September 2025, CAV's conduct resulted in 178 existing and 31 new retailers entering into agreements containing resale price maintenance clauses.

Relevant enforcement action taken by the ACCC and Outcome

The ACCC launched an investigation into CAV's resale price maintenance conduct and it resulted in CAV accepting a court enforceable undertaking (which is in effect for three years) to address the conduct. Among other things, it requires CAV to:

1. remove the resale price maintenance clauses from the distribution agreements;
2. advise resellers of their freedom to set prices; and
3. implement a compliance program to educate on competition and consumer law.

Potential Penalties

Resale price maintenance is an anti-competitive practice and can lead to a court imposing severe penalties. The maximum penalties that may be imposed by a Court are the greater of:

- \$50,000,000;
- if the Court can determine the value of the 'reasonably attributable' benefit obtained, 3 times that value; or
- if the Court cannot determine the value of the 'reasonably attributable' benefit, 30% of the corporation's adjusted turnover during the breach turnover period for the contravention.

Prevention

To prevent resale price maintenance conduct, make sure you are not imposing minimum sale prices when supplying products or services and ensure that a RRP is only suggestions and not obligations (with repercussions for non-compliance). To avoid such conduct, it is important to regularly review all supply/distribution agreements for compliance with the Act and assess whether they contain clauses that contain penalties for resale pricing practices and if so, assess whether they might contravene the Act. Where there is doubt about the issue, it is prudent to seek independent legal advice.

[1] ACCC, 'Dash cam and car audio supplier Connected Audio Visual admits to resale price maintenance' (Media Release, 29 October 2025)

<<https://www.accc.gov.au/media-release/dash-cam-and-car-audio-supplier-connected-audio-visual-admits-to-resale-price-maintenance>>.