

Article Information

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COVID-19 FAQs: Coordinating with competitors

The ACCC has been working with businesses across the economy to authorise cooperation between competitors to support the community in the midst of the COVID-19 crisis. The ACCC has recently given authorisations to allow banks, supermarkets, equipment suppliers and others to work together to co-ordinate their response to the pandemic.

Q: Can we contact our competitors to discuss and coordinate our response to the pandemic?

A: Normally, the sharing of information and reaching agreement amongst competitors as to the manner in which they will approach supply, distribution and customer markets is prohibited because the ACCC has said that coordination amongst competitors leads to complacency, inefficiency and higher prices. However, in the current environment of businesses trying to survive the crisis, the ACCC is prepared to grant authorisations to allow cooperation between competitors.

Q: In what circumstances will the ACCC grant its approval to allow competitors to coordinate with each other?

A: We have seen the ACCC authorise coordination amongst competitors when:

1. Working with manufacturers, suppliers and transport and logistics providers to ensure the fair and equitable supply and distribution of goods;
2. Determining schedules and markets for servicing customers;
3. Enabling inventory management, distribution and importing of products;
4. The exchange of information amongst competitors will address potential supply shortages.

Q: Are there any limits on what can be authorised by the ACCC?

A: There are some limits on what can be authorised by the ACCC. For example, price fixing behaviour will not be authorised.

Q: What sort of companies have already been allowed to coordinate with their competitors?

A: The ACCC has been working with businesses across the economy to authorise cooperation between competitors to support the community in the midst of the COVID-19 crisis. The ACCC has recently given authorisations to allow banks, supermarkets, equipment suppliers and others to work together to co-ordinate their response to the pandemic.

If you think that your business would benefit from talking with your competitors, then please contact us. Piper Alderman can provide advice on the sorts of coordinated activities with your competitors that could be authorised by the ACCC and, if appropriate, assist you to prepare the relevant authorisation application to the ACCC. It's important that advice be obtained before approaching competitors.