

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

**Review of the Australian
Competition and Consumer
Commission Annual Report 2015
(Second Report)**

Standing Committee on Economics

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Chair's foreword

At the public hearing with the ACCC on 14 October 2016, the organisation outlined its principal responsibilities under the *Competition and Consumer Act 2010* (the Act) as a competition and consumer regulator. The committee scrutinised the performance of the ACCC and examined its role, recent activities, and priorities for the coming year.

The committee was particularly interested in hearing about the ACCC's existing powers, the impacts of proposed changes to competition law, and competition in the banking sector. The committee heard that financial services are the one area where the ACCC is not the principal consumer regulator. The ACCC stated that its focus in the financial sector is on mergers and cartels as well as any activity that causes a significant lessening of competition.

The ACCC advised the committee that it had, relatively recently, initiated a programme of conducting market studies into particular sectors of the economy, and that this is consistent with the practices of other competition regulators internationally. The committee noted the ACCC's work in this area, however it was concerned that the ACCC had not initiated a market study into the banking sector, given that the ACCC has expressed concern that competition in banking is less than robust.

The ACCC also pointed to a number of sectors which were of concern, including telecommunications, the operators of various Australian ports and market concentration in the supermarket sector. In this context, the ACCC emphasised that the banking sector was also of concern as it was a highly concentrated market.

The committee noted the ACCC's view on the potential impacts of introducing an effects test into section 46 of the Act, as suggested by the Harper Review. The ACCC reiterated its position that the existing provisions are poorly crafted and that an effects test will support more competition and innovation in various markets, including the financial sector.

On behalf of the committee I would like to thank the Chairman of the ACCC, Mr Rod Sims, and his colleagues for appearing at the public hearing on 14 October 2016. The ACCC plays a vital role in seeking to ensure Australia's markets function fairly for both businesses and consumers. The committee will continue to provide oversight of this into the future.

David Coleman MP

Chair

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Membership of the Committee

Chair

Mr David Coleman MP

Deputy Chair

Hon Matt Thistlethwaite MP

Members

Mr Adam Bandt MP

Ms Julia Banks MP

Mr Scott Buchholz MP

Mr Pat Conroy MP (to 7 November 2016)

Mr Trevor Evans MP

Mr Kevin Hogan MP

Mr Craig Kelly MP

Mr Matt Keogh MP

Ms Madeleine King MP (from 7 November 2016)

Committee Secretariat

Stephen Boyd, Committee Secretary

Kilian Perrem, Inquiry Secretary

Jazmine Rakic, Office Manager

Terms of Reference

The House of Representatives Standing Committee on Economics is empowered to inquire into, and report on, the annual reports of government departments and authorities tabled in the House that stand referred to the committee for any inquiry the committee may wish to make. The reports stand referred in accordance with the schedule tabled by the Speaker to record the areas of responsibility of the committee.

Abbreviations

ACCC	Australian Competition and Consumer Commission
ASIC	Australian Securities and Investments Commission
FSI	Financial System Inquiry
NBN	National broadband network

