

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: Australian Competition and Consumer Commission
Question: BET 69-70
Topic: Detailed Investigations
Reference: Hansard page no. 95 - 02 June 2015
Senator: Dastyari, Sam

Question:

Senator DASTYARI: Is Mr Gregson able to confirm if it is two or three?

Mr Sims: We probably do not have the numbers. We can confirm that. It is at least two.

Senator DASTYARI: So you are going to take it on notice.

Mr Sims: Yes.

Senator DASTYARI: Okay. Can you also take on notice when those two investigations began and, if there is any information—there might not be—when you expect they will be concluded. You are saying you have two or three; you will get the exact number.

Mr Sims: Yes.

Senator DASTYARI: You have a handful—that is the term I will use—of in-depth investigations underway at the moment. You are talking about levels, Mr Sims. Talk to me about the different levels and how they work.

Mr Sims: We would have an initial look. If you look at both our competition area and our consumer area, we would probably examine 500 or so matters. We would probably do investigations on about half that number. In terms of in-depth investigations, where we actually think there is something there, across both competition and consumer we would probably do about 100 a year, give or take a bit. Maybe 70 of those would be consumer and 30 would be competition, roughly.

Senator DASTYARI: And there is often an overlap between the two, of course,

Mr Sims: There can be, yes. Mostly there is not, but there can be between competition and consumer. They are usually separate.

Senator DASTYARI: Would you be able to say how many you did into matters relating to the financial services industry last year?

Mr Sims: I would have to take that on notice.

Senator DASTYARI: Take that on notice. We just had Markets Group, and yesterday we had the RBA and Treasury. There was a discussion with them about credit card interest rates, mostly around the gap between the current credit card interest rate and the cash rate, which has been increasingly growing. Then we had a discussion about the best way to address that gap, which has now reached a record level. Is that a matter you have already looked at from a cartel or competition perspective, or not?

Answer:

BET 69-70 - In 2013-14, the ACCC conducted six initial investigations and nine in-depth investigations in relation to the financial services industry.

The ACCC can confirm that one of the nine in-depth investigations related to the bank bill swap rate matter. As stated in BET 71, the ACCC concluded this investigation in September 2014 and is monitoring the matter in cooperation with ASIC.