Makkinga, Elizabeth

| Makkinga, Elizabeth Friday, 23 March 2012 2:44 PM 'SenateEstimates@TREASURY.GOV.' Clancy, Sharon; Ayres, Lisa Anne |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FW: Additional Estimates 2012 - Questions on Notice - ACCC - Batch 2 [SEC=UNCLASSIFIED] |
| AET 1248 - Supermarket Fuel Discounts - Market Analysis (ACCC).docx; AET 785-789 - Efficiency Dividend (ACCC).docx; AET 832-838 - Staffing (ACCC).docx; AET 889 - Staffing - SES (ACCC).docx; AET 902-906 - Efficiency Dividend #2 (ACCC).docx; AET 946-949 - Staffing - Graduates (ACCC).docx; AET 980-981 - Taxi Costs (ACCC).docx; AET 1002-1007 - Government Advertising (ACCC).docx; AET 1058-1061 - Hospitality and Entertainment (ACCC).docx; AET 1100-1109 - Freedom of Information (ACCC).docx; AET 1185-1189 - Corporate Cars (ACCC).docx; AET 1225 - Anticompetitive Arrangements - Superannuation System.doc; AET 1241 - Component Pricing – Airline Tickets (ACCC).docx; AET 1242-1243 - Consumer Law – Repair Notices (ACCC).docx; AET 1244 - Default Superannuation Funds (ACCC).docx; AET 1245 - Financial Blockade - MasterCard (ACCC).docx; AET 1246 - Financial Services Blockade (ACCC).docx; AET 1247 - Gross Indicative Retail Differences (ACCC).docx |
| |

Security Classification:

UNCLASSIFIED

Dear Hanna

Please find attached responses to Questions on Notice 785 - 1248.

Cheers, Liz

From: Makkinga, Elizabeth
Sent: Friday, 23 March 2012 2:42 PM
To: 'SenateEstimates@TREASURY.GOV.AU'
Cc: Clancy, Sharon; Ayres, Lisa Anne
Subject: Additional Estimates 2012 - Questions on Notice - ACCC - Batch 1 [SEC=UNCLASSIFIED]

Dear Hanna

Please find attached responses to Questions on Notice for the series AET 61 to 744 (with the exception of AET 101-105 and AET 360 which will be forwarded as soon as cleared by the Office of the CEO).

Responses to Questions 785 – 1248 will follow shortly.

Apologies for the delayed response. Please do not hesitate to contact me should you wish to discuss.

Cheers, Liz

Elizabeth Makkinga Parliamentary Liaison Officer | Office of the CEO Australian Competition & Consumer Commission 23 Marcus Clarke Street Canberra 2601 | <u>http://www.accc.gov.au</u> T: +61 2 6243 1359

From: Senate Estimates [mailto:SenateEstimates@TREASURY.GOV.AU] Sent: Friday, 2 March 2012 1:42 PM To: Ayres, Lisa Anne; Clancy, Sharon Subject: RE: Additional Estimates 2012 - Written Questions on Notice - ACCC [SEC=UNCLASSIFIED]

Hi Lisa Anne and Sharon,

Attached are questions taken on notice during the Additional estimates hearings for the attention of the ACCC.

The deadline is the same as the written QoNs (see below email).

Thanks Hanna

From: Senate Estimates
Sent: Wednesday, 29 February 2012 1:48 PM
To: Lisa Anne Ayres (ACCC) (<u>lisaanne.ayres@accc.gov.au</u>); Sharon Clancy
Cc: Senate Estimates; Nightingale, Adam; Holder, Hanna
Subject: Additional Estimates 2012 - Written Questions on Notice - ACCC [SEC=UNCLASSIFIED]

Dear all,

Herein contains questions on notice submitted by Senators in writing for the attention of the ACCC, from the 2012 Additional Estimates hearings held in February 2012. Please note questions taken on notice by the ACCC during the hearings will be sent through for action shortly.

Whole-of-government 'Corporate Service' questions

The Treasury portfolio has received a large amount of 'corporate services' questions which have been asked of the Treasury and portfolio agencies. The Department of the Prime Minister and Cabinet (PM&C) will be issuing advice to Departments shortly, to assist in providing a coordinated approach in responding to these questions. This advice will be circulated to agencies as soon as it is received.

PM&C noted that the guidance will follow a similar line as that which was provided for corporate questions received at the 2011 Supplementary Budget estimates.

We suggest using <u>31 January 2012</u> as the end date for any questions that ask for reporting for the' financial year to date'. Please ensure that the end date is included appropriately in final responses.

Deadline for Responses

To meet the deadline set by the Senate Standing Committee on Economics, it would be appreciated if responses could be sent to the <u>Senate Estimates</u> email address by <u>COB Wednesday 21 March 2012</u>. This deadline provides time for clearance through the Treasurer's Office prior to forwarding to the Senate Standing Committee on Economics.

Please contact Hanna Holder on ext. 3077 or Adam Nightingale on ext. 2719 if you require assistance.

Kind Regards

Parliamentary Coordination Team Treasury Please Note: The information contained in this e-mail message and any attached files may be confidential information and may also be the subject of legal professional privilege. If you are not the intended recipient, any use, disclosure or copying of this e-mail is unauthorised. If you have received this e-mail by error please notify the sender immediately by reply e-mail and delete all copies of this transmission together with any attachments.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15-17 February 2012

Question: AET 1246

Topic: Financial Services Blockade

Hansard Page: 15 Feb 2012, pg 129

Senator LUDLAM asked:

Senator LUDLAM: I would appreciate that. On notice, could you provide us with a breakdown, consistent with your privacy obligations, of how many complaints you have received on this matter in its broadest extent.

Mr Gregson: We would be able to do that.

Answer:

The ACCC has received around 40 contacts in relation to the refusal of companies to process payments to Wikileaks, including the correspondence from Senator Brown as referred to by Senator Ludlam at the ACCC's appearance at Additional Estimates on 15 February 2012. The majority of these contacts were made in November 2011 and appear to have been made predominantly by consumers.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 - 17 February 2012

| Question: | AET 1245 |
|---------------|---------------------------------|
| Торіс: | Financial Blockade - MasterCard |
| Hansard Page: | 15 Feb 2012, pg 128 |

Senator LUDLAM asked:

Senator LUDLAM: Interesting. Do I have any recourse to these companies, or MasterCard in particular, to lift that blockade? I would understand, for example, if this were a criminal entity. If they had been accused of organised crime offences or whatever, I would understand that. In this instance the organisation has not. It is a publishing organisation. It was given a Walkley Award last December. None of its staff have been accused or convicted of particular crimes. So what are my avenues as a consumer? What can I do to MasterCard or, better yet, what can you as the regulator do to them?

Mr Gregson: My response is not going to be very helpful for you. I probably do need to know a bit more detail. I am sorry, I have not come with those tonight but I would be happy to take any of that on notice, and try to assist you.

Answer:

Generally speaking, the ACCC considers matters raised with it under the provisions of the *Competition and Consumer Act 2010* (the CCA). The CCA is fundamentally concerned with preventing anti-competitive conduct and providing appropriate safeguards for consumers.

There are provisions of the CCA that prohibit action by corporations, either individually or in concert with others, which adversely impact on competition. Whether competition concerns arise will depend on the circumstances.

In this case, the ACCC has not seen any evidence or information to suggest collusive decision making between card payment service providers.

Turning to any independent action by the card payment service providers, a key consideration in the circumstances raised by the question would be the purpose behind the decisions not to process payments.

The ACCC is aware of statements made to the media by a number of companies with headquarters overseas who stopped processing payments. The statements explain why they decided on that course of action. The statements also indicate concerns about compliance with their terms and conditions for service or for processing payments, including concerns about the facilitation of illegal conduct associated with Wikileaks.

The ACCC makes no assessment of the substance of those concerns. However the purpose described seems not to be anti-competitive. This means that without information to the contrary, it is unlikely that the action could be characterised as being undertaken for an anticompetitive purpose and therefore unlikely to raise concerns under the CCA.