

18<sup>th</sup> January 2023.

ACCC

Reference # MA10000023

Email: [ANZ-Suncorp-Merger@accc.gov.au](mailto:ANZ-Suncorp-Merger@accc.gov.au)

In response to the ANZ application for merger authorisation for proposed acquisition of Suncorp Bank – interested party consultation.

Please see listed below responses in relation to Attachment B.

**General:**

*Q. 1 Provide a brief description of your business or organisation.*

- BMAgBiz is a specialised agribusiness consulting firm based in Central Queensland that has been servicing rural clients in Queensland, Western Australia, New South Wales and the Northern Territory for 30 years.
- Part of our services is assistance with the procurement of finance for Agribusiness. We have a wide variety of clients from small family operations to large pastoral families & Corporate enterprises. Their lending requirements vary accordingly.
- We source funding for our clients and facilitate competition between all major Agribusiness finance providers. We interact with ANZ & Suncorp (& the other agribusiness lenders) on an almost daily basis.

*Q.2 Outline the reasons for your interest in the Proposed Acquisition, and any commercial relationship(s) with ANZ, Suncorp Bank, or any of their subsidiaries. Identify whether you acquire from, supply to or compete with ANZ and/or Suncorp Bank, and specify the relevant product(s) and/or service(s).*

Our interest in the proposed acquisition relates to concerns over the reduction of competition and availability of finance to agribusiness and rural businesses resulting from the acquisition.

**Competition in Banking products and services:**

*Q.3 Provide any views on, or estimates of, market shares in the supply of any banking products and services*

We are not able to supply specific statistics, but can confidently state, Suncorp provides a very significant share of agribusiness lending, particularly in Queensland.

*Q.5 What is the overall level of competition between ANZ, Suncorp Bank and other suppliers of banking products and services? Explain whether some suppliers compete more closely with each other than with other suppliers: -*

- Suncorp is particularly strong in agribusiness lending in Queensland. It is highly competitive with small to mid-sized borrowers i.e. less than \$50M.

- In the agribusiness lending “space” there are only 6 or 7 main lenders.
- The large corporate style borrowers are predominantly serviced by the 4 major banks & RABO, but in the sub \$50M space, Suncorp competes very effectively with all the main lenders.
- Suncorp has for many years proved to be a very important provider which has taken a more flexible & dynamic approach to lending.
- Whilst the impact of the Suncorp acquisition on the share of the national lending market is stated as minor (i.e., an increase of circa 1.4% to 15.4%), this is not indicative of the impact it will have on the agribusiness lending market in which Suncorp is a major player (particularly in Queensland) & in which ANZ & Suncorp are direct competitors.
- The agribusiness lending market is dominated by six players (particularly in Queensland) - the four major banks, RABO & Suncorp.
- Unfortunately, we are not privy to the agribusiness market share each of the bank’s hold, but Suncorp provides a very significant proportion of the lending facilities for our clients.

*Q.6 What is the level of competition in the supply of banking products and services to agribusiness customers? Explain whether and why Suncorp Bank and/or ANZ are particularly strong competitors?*

- ANZ and Suncorp are strong competitors particularly as it relates to growing, innovative, small and new agribusinesses.
- Suncorp plays a unique role in the market and competes very well based on investing in understanding and supporting these important business groups. These business groups are often neglected by the larger providers however it is the niche Suncorp fills which has a substantial economic benefit for the community. Having a bank that needs to compete in other ways than just targeting large established businesses with a lowball price is very important in the market. Without Suncorp in the market, we have strong concerns the level of competition available to these important agribusiness groups will fall significantly, stifling substantial growth, innovation, small and new businesses who are likely to be forced to accept poorer pricing and conditions and less financial support from indifferent larger providers. This is also likely to make it harder for new players, particularly the younger generation to enter into agribusiness. This is already a major issue facing the industry as the barriers to entry caused by the very high financial hurdles are a major obstacle.
- It should be noted that as an established facilitator of competition between all major agribusiness finance providers for the past 30 years, we have always maintained a substantial percentage of clients with Suncorp due to the banks competitiveness as a provider for growing, new, innovative, and smaller agribusiness borrowers.

*Q.12. Is it easy or difficult for customers to switch suppliers for any of the banking products and services (for example, home loans)? Do customers switch or threaten to switch suppliers often? How have suppliers reacted to customer switching? Provide specific examples where possible.*

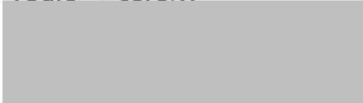
In agribusiness lending there are already only a small number of options when considering moving banks. Losing another option would result in a significant reduction in the already limited options. This would most likely lead to a less competitive environment for borrowers.

*Q.13 Are physical bank branches important to the competitive position of a bank? Provide specific examples where possible.*

Suncorp has a significant presence particularly in regional Queensland. This & the local knowledge & personal contact which accompanies it is undoubtedly beneficial to borrowers.

**Please note:** We raise concerns that in our opinion the timing of the submission period being 12 December 2022 to 18<sup>th</sup> January 2023 is not sufficient to be considered an effective consultation given the period is dominated by the holiday period.

Yours sincerely,



Jim Brennan  
Partner



Brad Castle  
Partner