

Supplementary submission 329 A

Dear Dr White many thanks for yesterday.

Please find attached a copy of the letter I had received from the ACCC. Yesterday the committee said they were interested in their response.

Please note this extract.

The ACCC has only a limited role in the area of price regulation overall. It does not have a direct role in regulating or setting prices except in the case of products or services that are declared by the Minister under Part VIIA of the Act. In this instance, the Minister has not declared that Residential Strata Title Insurance premiums are subject to an inquiry under the Act.

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Australian
Competition &
Consumer
Commission

Our ref:
Contact officer:
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10th of March 2011

Mr Andrew Hayes



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Dear Mr Hayes,

Thank you for your letter of 27th of January 2011 to the Australian Competition and Consumer Commission (ACCC) regarding your concerns about the sharp increase in the cost of Residential Strata Title Insurance premiums in your area.

The role of the ACCC is to ensure compliance with the *Competition and Consumer Act 2010 (Cth)* (the Act), which is designed to encourage fair trading and discourage anti-competitive conduct through a specific set of competition and consumer protection rules.

The ACCC is unable to specify to the insurance industry what price they are allowed to charge for the insurance they provide. Generally speaking, suppliers of goods and services are free to set their own prices and provided that they do this independently it is unlikely to raise concerns under the Act.

The ACCC has only a limited role in the area of price regulation overall. It does not have a direct role in regulating or setting prices except in the case of products or services that are declared by the Minister under Part VIIA of the Act. In this instance, the Minister has not declared that Residential Strata Title Insurance premiums are subject to an inquiry under the Act.

Under the ACL complaints that relate to financial products and services are primarily the responsibility of the Australian Securities and Investments Commission (ASIC).

ASIC has responsibility for consumer protection matters involving:

- Facilities for taking money on deposit – made available in the course of conducting a banking business
- Securities
- Futures contracts
- Contracts for insurance
- Retirement saving accounts
- Superannuation interests

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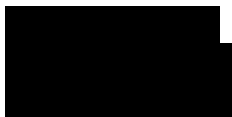
As such, in this instance it is also appropriate that you contact the Australian Securities and Investments Commission (ASIC) with your concerns. ASIC can be contacted on telephone 1300 300 630 or at www.asic.gov.au.

However, anti-competitive conduct concerns with regards to financial services are the responsibility of the ACCC. With regards to your concerns of anti-competitive conduct, simply because a corporation is in a monopolistic position within a market is not in and of itself of a breach if the Act. In order for potential concerns to be raised under the Act a corporation in such a position, must conduct their activities in such a way as to amount to anti-competitive conduct as defined by the Act. From the information you have provided, this does not appear to be the case. Should you have evidence of anti-competitive conduct you may wish to forward it to this office for further consideration. More information about the specific provisions of the Act which prohibit anti-competitive conduct is available on the ACCC website at: <http://www.accc.gov.au/content/index.phtml/itemId/816373>.

While the information you have provided is unlikely to raise concerns, I have made a record of your complaint in the ACCC's national confidential database which is monitored to assist the ACCC in its enforcement activities.

Thank you for contacting the ACCC regarding this matter. Should you have any questions regarding this email, please feel free to contact me.

Yours sincerely

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