

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2017 - 2018

Division/Agency: Australian Competition and Consumer Commission
Question No: 53
Topic: Price Inquiries
Reference: Written
Senator: Ketter, Chris

Question:

1. Does the ACCC have the power to initiate a price inquiry on its own accord, subject to Ministerial approval? If so, please identify the legislative provision(s) that give effect to this power.
2. Will the ACCC's Price Inquiry in relation to the Major Bank Levy report on prices for small business loans and credit card products?

Answer:

1. Under Part VIIA (section 95H) of the *Competition and Consumer Act 2010* (CCA) the Minister may require the ACCC to hold an inquiry or approve the ACCC holding an inquiry.

Under Part VIIA of the CCA, the ACCC can also conduct formal price inquiries and monitoring of prices, costs and profits in particular industries, upon direction from the relevant Minister.

The ACCC can initiate and undertake in-depth reviews of a market, sector or industry as part of its role in promoting effective competition in markets. The ACCC can self-initiate market studies with the approval of the Minister, pursuant to Part VIIA of the CCA, in which case it can draw upon the price inquiry powers in the CCA, including requiring information and or documents. In addition, section 28 of the CCA confers upon the ACCC functions in relation to dissemination of information, law reform and research, pursuant to which the ACCC can undertake self-initiated market studies (without price inquiry powers).

2. On 7 May 2017, the Treasurer directed the ACCC to conduct a price inquiry into residential mortgage products supplied by banks affected by the Major Bank Levy over 2017-18.