

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

10 – 11 February 2010

**Question: aet 81**

**Topic: Proposed Takeover of AXA by AMP/ NAB**

**Hansard Page: E12 (10/02/2010)**

**Senator BUSHBY asked:**

**Senator BUSHBY**—I heard you mention that a current inquiry is into the proposed takeover of AXA by AMP and also, separately, by NAB. There were media reports last week which indicated that the decision was impending—I think it was last Friday—but obviously that has not occurred.

**Mr Samuel**—No, these are published on our website, but I think our time lines indicated that there is an expectation of some determination today, didn't they, Mr Grimwade?

**Mr Grimwade**—Yes, in relation to the bid by AMP.

**Mr Samuel**—Yes, AMP. On the time line NAB is, I think, currently scheduled for 18 March.

**Mr Grimwade**—It is scheduled for 17 March.

**Senator BUSHBY**—That will be released later today? It is not going to be released while you are sitting in this room?

**Mr Samuel**—I do not think it is appropriate to comment upon it. All I would say is that the published time line indicates that there will be some indication of our position in respect of the AMP AXA bid today. This is not to give you any indication of our position, but I should also add that the time lines can be subject to variation in certain circumstances.

**Senator BUSHBY**—In a general sense, without speaking in particular about either of those investigations you are currently looking at, what are the considerations of concentration of the financial services market that you would be looking at? In particular, how would the growing influence of the major banks in wealth management play into them?

**Mr Samuel**—I would prefer to take that on notice for the very good reason that this issue of NAB and AMP and AXA is very market sensitive at the moment. The markets have come alive right at this present time, and I think it would be inappropriate for me to be making general comments that might be misinterpreted—or interpreted, as the case may be—by market observers and lead to some sensitivity in trading in the shares in the various entities concerned. So, if I could take that on notice, I think you will be assisted in understanding our analysis and our views on this subject when you see the public determinations that we make as we make them. But they need to be very carefully phrased and expressed in order not to cause inappropriate movements in market prices.

**Senator BUSHBY**—I will ask you a question in a minute which relates to that. I understand why you want to make sure that what you say is very carefully phrased. It will be a question that you were expecting, no doubt, but I will ask it in a second. I take your point that you will provide the answer to that question on notice, but I note that in respect of the AMP takeover of AXA, you did go to the extent of actually writing a three-page letter to all financial service providers in the country asking them their views, which, although not necessarily unprecedented, shows that you are taking the potential for competitive issues to be impacted by this change quite seriously, in particular with reference to this market. So I will read with interest what you have to say in your report when it does come out. Would those

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considerations be any different in a general sense—and you may want to take this on notice as well—when you are looking at AMP taking over AXA compared to one of the major banks taking over?

**Mr Samuel**—You will clearly understand why I will take that one on notice.

**Senator BUSHBY**—There are different considerations, I would imagine, that you would have to look at as part of—

**Mr Samuel**—I will take that on notice. As I said, many of these questions may or may not be answered when we make our public determinations with respect to those matters.

#### **Answer:**

The ACCC is unable to comment on these issues at this time as it is currently reviewing two proposed acquisitions in the financial services sector. The reviews are of National Australia Bank Limited's proposed acquisition of AXA Asia Pacific Holdings Limited's Australian and New Zealand businesses and AMP Limited's proposed acquisition of AXA Asia Pacific Holdings Limited's Australian and New Zealand businesses. However, once these reviews have been completed and the ACCC has published its reasons for decision, the ACCC will be in a position to provide a full response.