

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

23 – 24 February 2011

Question No: AET 164

Topic: Telecommunications bundling related complaints

Hansard Page: E 58

Senator Ryan asked:

Senator RYAN—Are you undertaking any activity with respect to that issue—what I would call the \$2 price of milk issue—at the moment?

Mr Samuel—Yes, but obviously it is not appropriate for us to be commenting in detail, other than to say that to the extent that there may or may not be any potential breaches of the Trade Practices Act they are matters that we are examining. I do not want to say too much about this but I am not sure that there are matters that fall within the jurisdiction of the ACCC that would address some of the issues of concern that are being raised in relation to this matter as we read about it in the public press.

Senator RYAN—Sure. I appreciate the need to curtail your comments given what is going on at the moment. The final issue I want to raise—again following an issue from last estimates—is with respect to what has been referred to as the telco scam—or we might want to call it an alleged telco scam. How many complaints have you received up to now from small businesses caught up in this issue?

Mr Gregson—I do not have those precise figures but it is fair to say that we are aware of a large number of small businesses that have either complained to the ACCC or come to our attention through private litigation, lobby groups or indeed referrals through members of parliament. Those numbers are certainly not insignificant.

Senator RYAN—By ‘large’ and ‘not insignificant’, are we talking about a number closer to one with three zeroes, four zeroes or five zeroes behind it?

Mr Gregson—Perhaps we will take that on notice but, to try to give you an idea, it is certainly well above the 10s.

Answer:

As at 22 March 2011, the ACCC recorded approximately 800 complaints relating to telecommunication companies and finance companies known to have provided deals bundling telecommunication and financial services. The vast majority of these complaints were received after the ACCC instituted proceedings in December 2006 in the matter of *Australian Competition and Consumer Commission & Anor v Link Solutions Pty Ltd & Ors*.