

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates 1 - 2 November 2006

**Question:** sbt 113 (ACCC)  
**Topic:** Accounting Separation  
**Hansard Page:** Written

**Senator CONROY asked:**

- 1. Given the ACCC's statements that the utility of the accounting separation regime is "marginal at best". Does the ACCC believe there is a need to retain the current Accounting Separation regime?**
- 2. How many staff at the ACCC are tasked with reviewing the data provided under the Accounting Separation regime?**
- 3. Approximately how many hours are spent per year within the ACCC considering data provided under the Accounting Separation regime?**
- 4. To what use has the ACCC put the information received under the Accounting Separation regime in the past year?**
- 5. How many record keeping rules has the ACCC imposed under the Accounting Separation regime?**
- 6. What processes does the ACCC have in place to evaluate the impact of new record keeping rules on the relevant companies?**
- 7. Has the ACCC revoked any Accounting Separation record keeping rules in the past?**
- 8. Has the ACCC considered revoking any of these record keeping rules since it concluded that the utility of the Accounting Separation regime was "marginal at best"?**

**Answer:**

1. The ACCC is required by the Minister's determination to maintain the record keeping rules under the Accounting Separation regime.
2. Three staff are typically involved in the review of these data as received from time to time.
3. Estimated at around 190 hours.
4. The information received has been used extensively in particular matters conducted under Part XIB and Part XIC of the Trade Practices Act 1974. In the past year, these matters have focused on the regulation of local services, and in the strategic review of regulation of fixed network services more generally.
5. The ACCC issued three initial record keeping rules (June 2003) in response to the Minister's direction to the ACCC under section 151BU of the Trade Practices Act

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1974, namely:

- Current Cost Accounting (CCA) record keeping and reporting rules
- Imputation testing record keeping and reporting rules
- Non-price terms and conditions key performance indicators record keeping and reporting rules

The ACCC issued three revised RKR's (September 2004) for CCA, imputation testing and non-price terms and conditions.

6. The ACCC consults extensively with companies before issuing record keeping rules that they would be subject to, and has regard for the costs and practicalities of reporting obligations in deciding the more appropriate basis upon which to proceed.
7. Yes, an initial set of the record keeping rules were revoked and replaced in September 2004.
8. The ACCC is required by the Minister's determination to make these record keeping rules.