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Mr John Salerian  
Trans Tasman Study  
Productivity Commission  
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Dear Mr Salerian

**Re: Productivity Commission's Study into Australian and New Zealand  
Competition and Consumer Protection Regimes**

ANZ welcomes the Productivity Commission's review of opportunities for further integration and harmonisation of regulatory regimes. ANZ has long operated in New Zealand and last year acquired the National Bank of New Zealand.

Prudential harmonisation is of particular importance to us at this time. ANZ strongly supports the commitment made by the Australian Treasurer, Hon. Peter Costello, and the New Zealand Finance Minister, Hon. Dr Michael Cullen to work towards harmonisation of prudential regulations.

Differing approaches being taken by the Reserve Bank of New Zealand (RBNZ) and the Australian Prudential Regulation Authority (APRA) in relation to implementation of new international capital requirements (Basel II) issued by the Bank of International Settlements (BIS) provides an example of why we support harmonisation. RBNZ will require New Zealand banks to use what is called the 'standard' risk management approach, whereas APRA will allow at least four Australian banks to achieve what is known as 'advanced' status. In practice, Australian 'advanced' status banks with New Zealand subsidiaries will need to operate two risk management and capital allocation systems rather than have a single risk management system.

In relation to competition and consumer law, current approval processes for mergers and acquisitions complicate trans-Tasman economic activity. ANZ supports the recommendation made by the Australian Bankers' Association that there be a more efficient, streamlined regulatory structure for the clearance of trans-Tasman mergers, acquisitions and joint ventures.

The principle could be one of a 'one-stop-shop' whereby a commercial transaction application is lodged once. This could be achieved by establishing a process of joint cooperation between the regulators to consider relevant applications when they are lodged. It could allow joint and separate consideration by government of a range of issues, including market definitions, which would streamline transactions on a case-by-case basis. This would also require a common view on policy between the two jurisdictions to maximise the

effectiveness of this model. An alternative to this would be embracing a system of common laws and administrative processes and guidelines by which those processes are governed.

A one-stop-shop should also be available as an option for the authorisation of self-regulatory industry rules covering New Zealand and Australian banks. For example, the ACCC is responsible for approving clearance and settlement rules proposed by the Australian Payments and Clearing Association (APCA). The policy aim should be to allow the clearance of these (and other) rules to be applicable to clearance and settlements of transaction in both Australia and New Zealand.

If you have further questions, please contact me on 03 9273 6323 or e-mail: [nashj@anz.com](mailto:nashj@anz.com).

Regards

Jane Nash  
Head of Government & Regulatory Affairs