

**Olding, Marianna**

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**From:** Leong, Anthony <[REDACTED]>  
**Sent:** Friday, 2 July 2021 2:11 PM  
**To:** Hyde, Matthew; Holland, Gideon  
**Cc:** Lattimore, Ralph; CN Office; Sharkey, Jane  
**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**OFFICIAL:Sensitive**

Hi Matthew

Thank you for letting us know. We are comfortable with the letter being published in advance of the report.

Regards  
Anthony

ANTHONY LEONG

D [REDACTED] E [REDACTED]

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY  
1 Martin Place (Level 12), Sydney, NSW 2000  
GPO Box 9836, Sydney, NSW 2001  
T 02 9210 3000 | W [www.apra.gov.au](http://www.apra.gov.au)



APRA



APRA acknowledges the traditional custodians of the lands and waters of Australia and pays respect to Aboriginal and Torres Strait Islander peoples past and present.



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**From:** Hyde, Matthew <[REDACTED]>  
**Sent:** Thursday, 1 July 2021 9:00 AM  
**To:** Leong, Anthony <[REDACTED]>; Holland, Gideon <[REDACTED]>  
**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>; Sharkey, Jane <[REDACTED]>  
**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**EXTERNAL EMAIL:** Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Hi Anthony and Gideon

Slight change of plans - we have published the letter on our website, slightly in advance of the report as previously indicated (<https://www.pc.gov.au/competitive-neutrality>)

If this is a concern for APRA, please let us know and we can remove it from the webpage until our report is published.

Apologies for the confusion

Thanks

**Matthew Hyde**

Australian Government Competitive Neutrality Complaints Office

**Productivity Commission**

4 National Circuit, Barton ACT 2600

ph: [REDACTED] | mob. [REDACTED] | [REDACTED] | [www.pc.gov.au](http://www.pc.gov.au)

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**From:** Hyde, Matthew

**Sent:** Wednesday, 30 June 2021 9:32 AM

**To:** 'Leong, Anthony' <[REDACTED]>; Holland, Gideon <[REDACTED]>

**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]> Sharkey, Jane <[REDACTED]>

**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**OFFICIAL:Sensitive**

Great – thanks for confirming Anthony. Happy to redact that contact information

Thanks

Matthew

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**From:** Leong, Anthony <[REDACTED]>

**Sent:** Tuesday, 29 June 2021 5:55 PM

**To:** Hyde, Matthew <[REDACTED]>; Holland, Gideon <[REDACTED]>

**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>; Sharkey, Jane <[REDACTED]>

**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**OFFICIAL:Sensitive**

Hi Matthew

Thank you for clarifying. APRA is comfortable with the letter being quoted and being published online with the report.

We would request that you redact Gideon's signature and his email address in the published version.

Regards

Anthony

**ANTHONY LEONG**

[REDACTED]  
D [REDACTED] | E [REDACTED]

**AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY**

1 Martin Place (Level 12), Sydney, NSW 2000

GPO Box 9836, Sydney, NSW 2001



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**From:** Hyde, Matthew <[REDACTED]>  
**Sent:** Tuesday, 29 June 2021 1:24 PM  
**To:** Holland, Gideon <[REDACTED]>  
**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>; Leong, Anthony <[REDACTED]>; Sharkey, Jane <[REDACTED]>  
**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

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Hi Gideon

So far we don't require any further clarification on the content of the letter, but we'd like to confirm how we can use your letter in our report — just to clarify some ambiguity.

As the letter forms a key part of our evidence base, we'd prefer to be able to quote directly from the letter and, ideally, publish a version of it online with our report. But I realise now I didn't confirm this with you before requesting the information.

In the first instance, are you comfortable with us directly quoting from the letter in our report?

We're comfortable if particular sections are sensitive and not directly quotable, but please let us know which those may be. And I'll also reiterate that APRA will still have an opportunity to review the report before publication in case of any issues.

Happy to chat if that suits — although a written confirmation would be best.

Thanks

**Matthew Hyde**

Australian Government Competitive Neutrality Complaints Office

**Productivity Commission**

4 National Circuit, Barton ACT 2600

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**From:** Hyde, Matthew  
**Sent:** Monday, 28 June 2021 10:10 AM  
**To:** 'Holland, Gideon' <[REDACTED]>  
**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>; Leong, Anthony <[REDACTED]>; Sharkey, Jane <[REDACTED]>  
**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**OFFICIAL:Sensitive**

Hi Gideon

Thanks for providing APRA's response to our questions last week; we'll get back to you if we require any further clarification on those points

And thanks for confirming that we can share the letter with the complainant

Thanks  
Matthew

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**From:** Holland, Gideon <[REDACTED]>  
**Sent:** Friday, 25 June 2021 6:40 PM  
**To:** Hyde, Matthew <[REDACTED]>  
**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>; Leong, Anthony <[REDACTED]>; Sharkey, Jane <[REDACTED]>  
**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**OFFICIAL:Sensitive**

Matthew,

You asked whether APRA would be happy for this letter to be shared with the complainant. I can confirm that we would be.

Thanks,  
Gideon

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**From:** Holland, Gideon  
**Sent:** Friday, 25 June 2021 3:43 PM  
**To:** Hyde, Matthew <[REDACTED]>  
**Cc:** Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>; Leong, Anthony <[REDACTED]>; Sharkey, Jane <[REDACTED]>  
**Subject:** RE: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

**OFFICIAL:Sensitive**

Matthew,

Thank you for these questions. Please see attached a written response from APRA. We would be very happy to discuss further if that would be helpful.

Kind regards,  
Gideon

GIDEON HOLLAND

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From: Hyde, Matthew <[REDACTED]>  
Sent: Friday, 18 June 2021 5:00 PM  
To: Holland, Gideon <[REDACTED]>  
Cc: Lattimore, Ralph <[REDACTED]>; CN Office <[REDACTED]>  
Subject: ABGF Competitive Neutrality Complaint - Request for information [SEC=OFFICIAL:Sensitive]

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Hi Gideon

Thank you for your return call this afternoon.

As discussed, the Australian Government Competitive Neutrality Complaints Office is investigating a complaint into the Australian Business Growth Fund (ABGF). We are currently preparing an in-house draft report that, once drafted, we will provide to APRA, the ABGF, the Treasury and the complainant for comment.

Before doing so, we would like to ensure that we are correct in our understanding of a few matters.

We are aware that APRA revised its capital treatment of ADI investments in the ABGF in [its letter of 9 December 2019](#). The complainant saw this as attributable to the ownership stake of the Australian Government in the ABGF. In considering whether this is the case, we would appreciate a response to the following questions.

- 1) Are there (or have there previously been) any other investment funds similar in design to the ABGF in Australia: that is, joint equity investment funds co-owned by multiple ADIs — but without government involvement?
  - If so, were the relevant ADIs able to access the 250% risk weighting on their investments? If not, what was the reason for that?

- 2) Can APRA clarify whether any new funds similar in form and function to the ABGF would be eligible to receive the same capital treatment, or whether the capital treatment is limited *only* to investments in the ABGF?
  - If the treatment is limited to the ABGF only, why is that the case?
- 3) Our interpretation of APRA's testimony to the Senate Economics Committee, in scrutinising the ABGF legislation, is that APRA would have provided the same treatment to a fund akin to the ABGF had the Australian Government not held an ownership stake. (The phrasing used was that Australian Government ownership 'certainly wasn't a requirement'.)
  - Is our interpretation of this accurate?
- 4) Our interpretation of Section 8(2) of your Act, alongside testimony before the Senate Economics Committee, is that APRA is not required to consider competitive neutrality in relation to the ABGF, because the ABGF itself is not regulated by APRA.
  - Is our interpretation of this accurate?

As discussed, we'd appreciate a brief written response to these questions — but we're happy to meet next week to discuss this further.

And as for our process from here: we will produce a final report after we've received feedback from relevant parties on the draft report. The final report will be a public document, but we will provide APRA with a copy prior to publication.

Happy to discuss further to clarify

Regards,

**Matthew Hyde**

Australian Government Competitive Neutrality Complaints Office

**Productivity Commission**

4 National Circuit, Barton ACT 2600

ph. [REDACTED] | mob. [REDACTED] | [matthew.hyde@pc.gov.au](mailto:matthew.hyde@pc.gov.au) | [www.pc.gov.au](http://www.pc.gov.au)

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