



House Economics Committee Announces Recommendations for Reform of Banking Sector

The House of Representatives Standing Committee on Economics today tabled its first Report on the banking sector in parliament.

The Report contains a number of recommendations to Government, including:

- the creation of a new Banking Tribunal by 1 July 2017, to enable consumers to achieve fair and timely recompense through a one stop shop;
- a new regime for executive accountability, with licence breaches reported publicly for the first time;
- a requirement that banks be forced to open up access to consumer data by 1 July 2018, which will give consumers much greater options when seeking to switch banks;
- a new, permanent regulatory function focused on day-to-day monitoring of competition in the banking sector;
- a review of the regulatory barriers to starting a bank, with the goal of injecting more competition into the sector; and
- new structures to improve the operation of bank internal dispute resolution processes, and risk management systems.

Committee Chairman, David Coleman MP, said that the Report was the first in what would become a regular series:

“Banks need to be held to account for their actions. The financial stability of our system is critical – but so is ensuring that consumers get a fair deal. The Committee has identified a wide range of areas in which banking regulation can be improved to better serve the Australian community. As we continue our ongoing review of the banking sector, we look forward to the Government’s response to the recommendations contained in the Report.”

The Committee expects to hold its next public hearings with the major banks in the first quarter of next year, soon after its scheduled public hearing with the Reserve Bank on 24 February 2017.

The report can be accessed from the Committee’s website at:
http://www.aph.gov.au/Parliamentary_Business/Committees/House/Economics/Four_Major_Banks_Review/

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