



**THE HON JIM CHALMERS MP**  
**TREASURER**

Ref: MS22-001747

Thursday, 15 December 2022

Dr Daniel Mulino MP  
Chair  
Standing Committee on Economics  
Parliament House  
CANBERRA ACT 2600

Dear Chair

I am writing to request that the House of Representatives Standing Committee on Economics (the Committee) undertake an annual inquiry into Australia's four major banks.

Australian households and businesses place a significant degree of trust in financial institutions, and the major banks play a central role in the economy. It is therefore appropriate that the Committee examines how the major banks are balancing the interests of a diverse set of stakeholders, including borrowers, depositors, shareholders and the wider community.

In undertaking its inquiry, I ask that the Committee hold public hearings at which the four major banks appear on an annual basis. I ask that the Committee considers:

- interest rates on deposit and loan products, including the influence of competition, profit margins and developments in bank funding;
- the financial position of borrowers, including their experience in relation to the interest rate environment and inflation;
- the fair treatment of bank customers, including the operation of dispute resolution and remediation processes;
- the ongoing implementation of recommendations of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry that are relevant to the banking sector;
- the role of banks in supporting the flow of credit, including to small businesses;
- banks' operational performance, including online service outages and cyber security resilience;
- how banks are responding to the risks and opportunities of climate change, and how the banking sector can support Australia's progress toward climate and other sustainability-related goals; and
- actions being taken by banks to protect customers from scams, including on scam prevention, detection and response, and how these compare to actions overseas.

I expect that the Committee will engage with Australia's financial sector regulators as appropriate, including the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, the Reserve Bank of Australia and the Australian Competition and Consumer Commission.

To encourage their cooperation with the inquiry, I have written to the Chief Executive Officers of the Australia and New Zealand Banking Group, the Commonwealth Bank of Australia, the National Australia Bank and Westpac.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jim Chalmers', with a long horizontal line extending to the right.

The Hon Jim Chalmers MP