



Inquiry into competition in the banking and non-banking sectors

The House of Representatives Economics Committee will examine competition in the banking and non-banking sectors in Australia with a particular focus on home mortgage products.

During March 2008, the average size of a new home loan was over \$246 000 and, on average, 38 per cent of a family's income went into paying their mortgage.

The Chair of the House Economics Committee, Craig Thomson (Member for Dobell, NSW), said: "We need to open up competition in the retail banking and non-banking sectors, demystify the number of home mortgage products available and offer a wider choice to the consumer."

The committee's inquiry will focus on developments on home mortgage products, their providers and the current state of the industry. The terms of reference for the inquiry, referred by the Treasurer Wayne Swan are:

The Committee should examine competition in the retail banking and non-banking sectors in Australia. The inquiry will pay particular attention to home mortgage products and linked facilities frequently offered to consumers such as credit cards and savings accounts.

- 1) The Committee will undertake a stock take of the Australian retail banking and non-banking industries, focussing on:**
 - a) Recent developments in relation to products, providers and distribution channels;**
 - b) the current state of the retail banking and non-banking industries;**
 - c) the likely drivers of future change and innovation in the retail banking and non-banking sectors including the continuing impact of technological developments; and**
 - d) comparisons with relevant international jurisdictions.**
- 2) The Committee will also identify any barriers that may impact on competition in the retail banking and non-banking sectors, and policies to enhance further competition and product choice for consumers.**

The committee is keen to hear from industry, peak associations, academia, government departments and individuals. **The committee will accept submissions, preferably by email, until Friday, 11 July 2008.** The Committee has been asked to report by December 2008.

Further details about the inquiry, including how to make a submission, can be obtained from the committee's website at www.aph.gov.au/economics or by contacting the committee secretariat on (02) 6277 4209 or emailing economics.reps@aph.gov.au

For media comment: please contact the Committee Chair, Mr Craig Thomson MP, on (02) 4351 1223 (Electorate Office) or (02) 6277 4460 Parliament House

Further information: contact the Inquiry Secretary (02) 6277 4209, email economics.reps@aph.gov.au or visit the Committee's webpage at <http://www.aph.gov.au/economics>