

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Australian Prudential Regulation Authority

Question No: 69

Topic: Bank Levy

Reference: Hansard page 94 (30 May 2017)

Senator: Ketter, Chris

Question:

Senator KETTER: Can you tell me what date you first became aware of the bank levy?

Mr Byres: I became aware of the bank levy in its current form or current proposal in late March. I know you are keen on the exact date and I have tried to look and see if I can pinpoint the exact date. I, unfortunately, cannot do so. But it was definitely in late March.

Senator KETTER: You became aware of it on that date. How did you become aware of it?

Mr Byres: I was informed by Treasury in a conversation. I was talking with Treasury on a range of other issues, and the information was passed to me as something that—at that stage it was on the basis of something the government was considering, and it was passed to me just so I was aware that that was in the pipeline.

Senator KETTER: Were you asked to express a view?

Mr Byres: Not on that day, no.

Senator KETTER: In terms of that precise date, is that something you can take on notice, and perhaps have a look at your diaries?

Mr Byres: I am happy to take it on notice and look further, but I know you asked the Treasury people yesterday for exact dates so I did have a look to see if I could provide you with the exact date and I cannot quite pinpoint it but I will have another look for it.

[...]

Senator KETTER: And at some point were you asked to express a view about the bank levy?

Mr Byres: As I think the Treasurer has said today, we expressed the view that this did not jeopardise our prudential objectives and was not going to have a material impact on the resilience of the banking system.

Senator KETTER: And when did you provide that advice?

Mr Byres: As to date, I would have to take that on notice.

Senator KETTER: Sometime in the month of April?

Mr Byres: I would have to take it on notice whether it was April or just as the proposal was being finalised. I cannot tell you today. I will take it on notice.

Senator GALLAGHER: Are you able to provide the committee with the feedback you provided around the levy?

Mr Byres: I am not quite sure precisely what you are asking for.

Senator GALLAGHER: When you were consulted on it—and you provided feedback to the government, presumably. I do not know what form that took, but are you able to provide that information to the committee?

Mr Byres: I can probably provide the nature of the feedback, but it will be along the lines of what I just said: we did not think it had a material impact on the resilience of the system and it does not jeopardise our prudential objectives. That would be the gist of it.

Answer:

APRA is not able to be more precise as to the date of the initial conversation on the bank levy between Mr Byres and Treasury.

There were subsequently various discussions with Treasury in the lead-up to the Budget – these mainly occurred in late April/early May 2017. APRA's advice to the Government through this period was that:

- the payment of the levy, along the lines being envisaged, would not have a material impact on the resilience of the banking system, and
- the levy regime being proposed would not jeopardise APRA's prudential policy objectives.