

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 20-21 February 2008

**Question: aet 44**

**Topic: Fairness of Entry, Exit and Termination Fees**

**Hansard Page: E2**

**Senator FIELDING asked:**

**Senator FIELDING**—Once the report is finalised is there something that you could give to the committee to have a look at, as well?

**Mr D'Aloisio**—I think we would envisage that in the first instance the report would go to Treasury as has been requested in the normal course. I think I would have to be guided by the government on that. I would assume it would be a public document.

**Senator Sherry**—I am happy to take on notice to the Treasurer when the next round of estimates is held in May. I am not sure when the next joint House-Senate committee oversight is scheduled. I will take it on notice to the Treasurer to see what can be made available in detail once the Treasurer has considered ASIC's views on the matter.

**Senator FIELDING**—You are not sure of a time frame? Could you come back with a time frame of when the report will be done? Can you take that on notice? I will not get a chance to ask the question again.

**Mr D'Aloisio**—Once we have considered the project plan we will advise the government on the time period.

**Senator FIELDING**—Could the government at least let the public know when the report is due?

**Senator Sherry**—I will have to take it on notice to the Treasurer. I am keen to assist in any way I can but it is the Treasurer's call about the provision of information. I will pass on the request as to the committee's interest and your personal interest as well.

**Senator FIELDING**—Thank you.

## **Senate Standing Committee on Economics**

### **ANSWERS TO QUESTIONS ON NOTICE**

#### **Treasury Portfolio**

Additional Estimates 20-21 February 2008

#### **Answer:**

- The Treasurer released ASIC's Review of Mortgage Entry and Exit Fees on 5 April 2008.
- The Government asked ASIC to undertake this review as part of our efforts to foster a more competitive banking system that works for Australian families, not against them. The release of the review is another milestone in the implementation of the account switching initiatives the Treasurer announced in February to boost competition in the banking sector.
- The review reveals that exit fees vary dramatically, highlighting the benefits to consumers of comparing products. Within each lender type, there is a loan offered with a nil early termination fee.
- The report will inform the Government's work on COAG's 26 March 2008 decision that the Commonwealth assume responsibility for regulating mortgage credit and advice (which includes regulation of mortgage brokers).