

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 81

Topic: Bank-Switching

Hansard Page: E136

Senator BUSHBY asked:

Senator BUSHBY —What are the anticipated costs to banks for compliance with the bank-switching package? Has any analysis been conducted of that?

Ms Wijeyewardene —We will take that on notice.

Senator BUSHBY —Alright. That leaves me 35 seconds. Has Treasury modelled the regulatory changes and their impact on bank product interest rates?

Ms Wijeyewardene —Of the switching package?

Senator BUSHBY —Yes.

Ms Wijeyewardene —I would have to take that on notice.

Answer:

What are the anticipated costs to banks for compliance with the Government's bank switching package? Has any analysis been conducted on this?

There was no estimate of costs made. Industry implemented the system voluntarily by including the switching provisions in the Australian Payments Clearing Association (APCA) Bulk Electronic Clearing System (BECS) procedures and the Electronic Funds Transfer code.

Has Treasury modelled these regulatory changes and their impact on bank product interest rates?

The Government has not imposed regulation on industry. Consequently, no formal regulation impact statement was developed.