

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020

Division/Agency: Australian Prudential Regulation Authority

Question No: APRA02QW

Topic: Cost of regulation

Question:

Could you provide information on the costs (even if only estimations) of regulation on COBA-sized and mid-tier ADIs both before and after the proposed changes? Could you also provide a comparison with the Big 4 and perhaps a useful metric to show relative impact between organisations? Please also include a ratio or percentage that can simply demonstrate relative cost burden of regulation. Perhaps regulatory cost burden (in \$) per million (or x) dollars held in deposit, or another metric that may already be used capable of showing relative cost burden.

Answer:

Treasury has estimated that the reforms will reduce regulatory costs by \$62.9 million across the industry. Further details on Treasury's estimates of the impact of the proposed reforms can be found in the Explanatory Memorandum to the National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020.

Consistent with the Government announcement's, APRA will continue to regulate ADIs in relation to existing prudential standards. With no change to APRA's these standards, there is no regulatory impact under the reforms from a prudential perspective.