

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Budget Estimates  
2017 - 2018

**Division/Agency:** Australian Small Business and Family Enterprise Ombudsman  
**Question No:** 300  
**Topic:** Bank Levy - Changes to existing applicable small business customers  
**Reference:** Hansard page 107 (29 May 2017)  
**Senator:** Ketter, Chris & Gallagher, Katy

**Question:**

Senator KETTER: The media release of 16 May that you issued says:

In many cases, banks have agreed to implement the changes so that they apply to all existing applicable small business customers.

Are you of the understanding that this will mean that banks have agreed to amend the loans for existing small business customers?

Ms Carnell: That is our understanding, yes.

Ms Scott: We have had different responses from different banks. We are still waiting for their final responses. Some banks have said that they will amend the clauses—these are clauses that they say they would never use anyway, so there should not be an issue with removing them. Some banks have said that they will apply it to all new contracts entered into since November 2016, and other banks have said they will apply it to all their small business contracts.

Senator KETTER: Can you tell us which institutions are in which of the categories you have just mentioned?

Ms Scott: We are still waiting for some of the banks to come forward with their responses on this. We have not heard back from all of them at this stage.

Senator GALLAGHER: Do you have a deadline for that?

Ms Scott: There are some meetings happening in June where we are having other discussions on the finer details of some of the clauses in some of the different products that they may offer. We are trying to nail down the miscellaneous aspects of it. But we are hoping that by early June we will have an agreed understanding—

Ms Carnell: So we are talking about the next couple of weeks.

Senator GALLAGHER: Perhaps you could provide those details on notice? I understand, whilst you are in the middle of something—but there are only four of them.

**Answer:**

The four major banks are working closely with ASIC and the ASBFEO to finalise contract clause changes in response to the Unfair Contract Term legislation that became effective from 12 November 2016. This is due to be completed at the end of July 2017.