

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

10 – 11 February 2010

**Question: aet 114**

**Topic: Study into Banking & Interest Rates**

**Hansard Page: E90 (11/02/2010)**

**Senator JOYCE asked:**

**Senator JOYCE**—Yes, just like there has been a study of the NBN; has anybody done any study into the centralisation of the marketplace and banking and the effects on interest rates? Has that come across the markets division in any way, shape or form, seeing it is a market?

**Mr Lonsdale**—I am not sure we have done any direct work on that. Certainly, the issues of interest rates— margins around those—bank funding costs and how they translate are very important to the work that we do. We are closely monitoring those; we talk to the banks all the time. But in terms of that precise piece of work, I have to check..

**Answer:**

While there are a number of publicly available studies discussing recent developments in the banking sector, Treasury is not aware of any publicly available studies that specifically examine the effects of recent increases in the major Australian banks' market shares on interest rates.