

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 557 - 558

Topic: APRA Reviews

Hansard Page: Written

Senator Bushy asked:

557. For the year 2010-11, how many Reviews were being undertaken by all departments and agencies in each portfolio?

- a) When will each of these reviews be concluded?
- b) What reviews have been concluded?
- c) Which of these reviews has been provided to Government?
- d) When will the Government be responding to the respective reviews that have been completed?
- e) What is the estimated cost of each of these Reviews?

558. For this financial year to date, what reviews are planned?

- a) When will each of these reviews be concluded?
- b) What reviews have been concluded this FYTD?
- c) Which of these reviews has been provided to Government?
- d) When will the Government be responding to the respective reviews that have been completed?
- e) What is the estimated cost of each of these Reviews?

Answer:

557. During the period, in the context of its *Competitive and Sustainable Banking System* package, the Government asked the Australian Prudential Regulation Authority (APRA) to review its guidelines for use of the term 'bank'.

557. a), b), c) and d) The review has concluded. In its review, after weighing up competition and financial stability concerns, APRA concluded that any lowering of entry standards for new bank entrants, through reducing the minimum capital requirement, would run counter to the general thrust of global reform initiatives to strengthen capital in banking systems and

would put at risk the enhanced reputation of the Australian banking system and Australia's regulatory arrangements.

557.e) \$20 050.

558. APRA is not planning any reviews.