



09 June 2022

██████████
██████████ Regulator Oversight and Engagement Unit
Treasury
SupervisoryLevies@TREASURY.GOV.AU

Dear ██████████

Proposed Financial Institutions Supervisory Levies for 2022-23

The Australian Banking Association (**ABA**) on behalf of its members welcomes the opportunity to make a submission regarding the Proposed Financial Institutions Supervisory Levies (**FISL**) 2022-23 Discussion Paper.

Our position

The ABA welcomes the overall reduction in proposed 2022-23 levies for Authorised Deposit-taking Institutions (**ADIs**) of \$95.0 million compared to 2021-22 levies of \$103.7 million. The ABA also welcomes the proposed 2022-23 decrease to 36.6 per cent of the total levies from 39.6 per cent in 2021-22.

Notwithstanding these proposed reductions, the ABA makes the following points regarding the 2022-23 proposals:

- While the proposed 2022-23 reduction for larger asset base ADIs is also welcome, the ABA notes that the actual amounts levied on these ADIs in 2021-22 exceeded the amounts proposed. For example, the levy proposed for 2021-22 on the largest asset base ADI's was \$11,314.4 (\$'000)¹, the actual amount levied was 15% higher at \$13,012.6 (\$'000).²
- The ABA understands that this increase was the result of actual amounts levied on smaller asset base ADIs in 2021-22 being less than the proposed levies, with the difference subsequently charged to the largest asset base ADIs.
- Further the ABA understands that this was implemented without further industry consultation after the original proposal. The ABA requests that if there is a deviation from the levies proposed in the 2022-23 Discussion Paper, that Treasury conduct additional consultation with industry to ensure ongoing transparency.

Again, thank you for the opportunity to comment on this proposal. Should you have any questions please contact me directly.

Yours sincerely

Steve Blinkhorn
Policy Director
0414 819 599
Steve.Blinkhor@ausbanking.org.au

¹ May 2021 Proposed Financial Institutions Supervisory Levies for 2021-22. Table 11, p17

² May 2022 Proposed Financial Institutions Supervisory Levies for 2022-23 Discussion Paper. Table 11, p17.



Australian Banking
Association

About the ABA

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers.

We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership