



The Treasury
Langton Crescent
PARKES ACT 2600
Via email: data@treasury.gov.au

23 March 2018

Dear Sir/Madam

Submission in response to the Report of the Review into Open Banking

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to comment on the Report of the Review into Open Banking.

We refer to our submission to the Review into Open Banking made in September 2017 for background information on the Business Council of Co-operatives and Mutuals and the co-operative and mutual sector, including the customer-owned ADI sector.¹

We support Open Banking and its potential to promote competition and consumer choice. We agree with the statement in the Report that, in order to promote competition, 'Open Banking should not unreasonably lock out new participants and should not place unreasonable costs on existing participants.'²

In order to ensure Open Banking does promote competition and consumer outcomes, the feedback from our members is that:

- The impact of the cost of implementation and participation for smaller ADIs and customer-owned ADIs needs further consideration; and
- The timeline for rollout is ambitious, particularly for smaller ADIs.

We note that the Government has accepted the findings of the Hammond Review in relation to access to capital for mutuals³, and that if implemented, these proposed legislative reforms would allow customer-owned ADIs more flexibility in accessing capital for growth (an example would be quickly implementing Open Banking). Such broader legislative, regulatory and policy developments should be kept in mind to ensure the Open Banking regime is fit for purpose.

The BCCM is happy to provide further information or comment on any aspect of this submission.

Yours faithfully

Melina Morrison
CEO
Business Council of Co-operatives and Mutuals

¹ See https://static.treasury.gov.au/uploads/sites/1/2017/10/c2017-t224510_BCCM.pdf

² <https://static.treasury.gov.au/uploads/sites/1/2018/02/Review-into-Open-Banking-For-web-1.pdf>, 9.

³ <https://treasury.gov.au/publication/p2017-t235882/>