

12 May 2017

The Hon Scott Morrison MP
Treasurer of the Commonwealth of Australia
Parliament House
CANBERRA ACT 2600
By email philip.gaetjens@treasury.gov.au

Dear Treasurer

Major bank levy modelling

The Australian Bankers' Association (**ABA**) appreciates this week's engagement with Treasury officials with respect to Tuesday's Budget and measures impacting the banking industry; the ABA is committed to continuing the long history of a productive policy partnership with Treasury.

Naturally, the management and investors of regulated entities are keenly focused upon policy and regulatory changes of material significance to business operations and profitability.

The industry wants to understand the levy's policy objectives, consult with your department on the final design of this major policy measure, and seeks a commitment from Treasury to demonstrate full fidelity to final obligations.

Noting the severely truncated consultation period and to assist in providing the best possible feedback via bank submissions, the ABA requests Treasury releases the following:

- Treasury's modelling on the economic impacts of the bank levy, including the wider impact on Australian households and businesses.
- Treasury's technical analysis that underpinned the design of the tax, including the coverage of banks and the design of the levy.
- Treasury's modelling, including assumptions of the total revenue projections to be collected by the bank levy over the forward estimates.

The ABA seeks this information by 5pm Tuesday 16 May 2017. This will assist in the industry providing feedback to Treasury on the draft legislation, which we expect to receive on Wednesday 17 May 2017 with 24 hours to respond.

The ABA believes releasing the analysis we have requested today is one small step to ensuring we can limit the unintended consequences and economic harm to Australians of what is clearly a hastily designed tax.

Finally, our members look forward to receiving their individual levy calculations your officers committed to providing at Thursday's meeting.

Yours sincerely



Anna Bligh AC
Chief Executive Officer

cc: Mr John Fraser, Secretary
The Treasury



Strong banks – strong Australia