



TREASURER

Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Mr Sims,

I am writing to advise you that I have issued a direction under section 95H of the *Competition and Consumer Act 2010* to the Australian Competition and Consumer Commission (ACCC) to inquire into prices charged or proposed to be charged by Authorised Deposit-taking Institutions (ADIs) affected by the Major Bank Levy in relation to the provision of residential mortgage products in the banking industry in Australia from 9 May 2017 until 30 June 2018.

The direction provides for the ACCC to report to me and provide information to the market as it deems appropriate, with a final report to be delivered at the conclusion of the inquiry.

I note that I would be particularly interested in receiving an update from the ACCC if it begins to find any evidence of relevant ADIs passing on the costs associated with the Major Bank Levy to their residential mortgage product customers.

It is essential that this direction is not released publicly until 7:30 pm on 9 May 2017.

A copy of the direction is enclosed for your convenience.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Morrison', written over the words 'Yours sincerely,'.

The Hon Scott Morrison MP

9 / 5 / 2017



COMMONWEALTH OF AUSTRALIA

COMPETITION AND CONSUMER ACT 2010

PRICE INQUIRY INTO RESIDENTIAL MORTGAGE PRODUCTS

I, the Hon Scott Morrison MP, Treasurer, pursuant to section 95H of the *Competition and Consumer Act 2010*, hereby direct:

1. the Australian Competition and Consumer Commission (ACCC) to inquire into prices charged or proposed to be charged by Authorised Deposit-taking Institutions affected by the Major Bank Levy in relation to the provision of residential mortgage products in the banking industry in Australia from 9 May 2017 until 30 June 2018;
2. the ACCC is to have regard to the Government's view that banks need to fully and transparently account for their decisions, and hence how they balance the needs of borrowers, savers, shareholders and the wider community;
3. the Inquiry is not to be held in relation to the supply of goods or services by particular persons; and
4. the ACCC to report to me on its inquiry in paragraph (1) and provide information to the market as it deems appropriate, with a final report to be delivered to me at the conclusion of the inquiry.

DATED THIS

9

DAY OF

MAY

2017

A handwritten signature in blue ink, appearing to read 'Scott Morrison', written over the printed name below.

The Hon Scott Morrison MP
TREASURER