

From: [Redacted]
Sent: Friday, 7 February 2025 4:24 PM
To: CFR Review
Subject: Response to the federal treasury's instruction into the competitiveness of the Australian Banking industry

To whom it may concern

The Council of Financial Regulators has released an "Issues Paper" in response to the federal treasury's instruction into the competitiveness of the Australian Banking industry and the part that smaller banks have to play. The paper calls for recommendations to be submitted by February 7th 2025.

The issues paper highlights the concentrated nature of the Australian banking market where 4 banks own 80% of the deposit market and 90% of the mortgage market, along with strategies for small to medium-sized banks to focus on to scale and compete: Increase Use of Digital Channels, Merge and Collaborate, Outsourcing and Joint Ventures

To level the playing field and enhance competition, five government strategies are recommended by Moroku around:

- Capital Treatment
- R&D Provisions
- Financial Inclusion
- Digital Identity and
- Open Banking

These strategies are detailed by Moroku here <https://moroku.com/banking-industry-dynamism/>

By the government implementing these measures, we believe that smaller banks can better serve their communities, drive financial industry competitiveness, and support economic growth



Kindest Regards



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