



29 May 2023

Sam O'Connor
Australian Competition & Consumer Commission

By email: exemptions@accc.gov.au

Dear Mr O'Connor,

Commonwealth Bank of Australia and Ors application for authorisation AA1000640 – interested party consultation

The Australian Banking Association (**ABA**) welcomes the opportunity to respond to the Australian Competition & Consumer Commission's (**ACCC**) consultation regarding the application by the Commonwealth Bank of Australia, Westpac Banking Corporation, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Macquarie Bank Limited to establish a voluntary industry-wide program for participating mortgage lenders to jointly procure assurance reviews of the compliance systems and standards of participating mortgage aggregators, the Aggregator Assurance Program (**AAP**).

Australia's banks are the subject of a growing volume of new regulation. The volume of such new regulation imposes significant financial and resource burdens on banks, third parties, such as mortgage brokers, and customers. Additionally, there is increasing use of banks as proxies for enforcement in other legislative and regulatory reforms.

It could be argued that the burdens of such new regulation and requirements are now approaching the regulatory balance to the point of diminishing returns. That is, where the incremental benefits to customer safety and stability are outweighed by the costs of implementing the additional regulatory obligations, both for banks and for their customers.

As such, while the ABA has not been involved in the development of the AAP, the ABA is supportive of initiatives that reduce the burden on banks, their customers and third parties.

If you require further information or would like to discuss any of the content of this letter, please do contact me at [REDACTED]

Kind regards,



Emma Penzo
Head of Economic Policy
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.