23 February 2018

Manager

Financial Services Unit

Financial System Division

The Treasury

Langton Crescent

PARKES ACT 2600

Via email: ccr.reforms@treasury.gov.au

Dear Sir/Madam

**National Consumer Credit Protection Amendment (Mandatory Comprehensive**

**Credit Reporting) Bill 2018**

Thank you for the opportunity to comment on this legislation. COBA is the industry association for Australia’s customer owned banking institutions, i.e. mutual banks, credit unions and building societies. Collectively, our sector has $110 billion in assets, 10 per cent of the household deposits market and four million customers.

COBA supports the Government’s decision to mandate Comprehensive Credit Reporting (CCR) for large ADIs (more than $100 billion in assets). This will avoid imposing unnecessary costs on smaller ADIs while creating a critical mass of CCR data to encourage all credit providers to undertake the investment needed to participate in CCR.

Smaller ADIs will be able to decide when to participate in CCR according to their own investment schedules and priorities.

Several customer-owned banking institutions were at an advanced stage of preparing to participate in CCR prior to the Government’s November 2017 announcement of a mandatory regime for the major banks. It is likely that this number will increase as the business case for an individual ADI’s participation improves through the availability of more data (as a result of mandatory CCR for the largest data providers and subsequent participation of other lenders) and as ADIs create products and systems that can extract greater value from this data.

COBA has been calling on policymakers and regulators to give greater consideration to the impact on competition of the regulatory compliance burden on smaller ADIs. Restricting mandated participation in CCR to the largest players in the market is a very welcome example of targeted and proportionate regulation.

Yours sincerely



**Luke Lawler**

**Director - Policy**