

# BIG BANK LEVY

A FUTURE  
FOR ALL OF US



# WA'S BIG BANK LEVY▲

## The Greens will introduce a state-based Big Bank Levy to make banks pay their fair share, and to fund much-needed investment in our communities.

The Royal Commission into the banking sector shed light on the atrocious behaviours of our big banks, who ripped off everyday Australians while at the same time raking in super profits and paying their CEOs and executives hundreds of millions each year.

Australian banks are some of the most profitable in the world. Over the last four years the five biggest banks have made \$173 billion in pre-tax profits.

Banking 'misconduct' has cost Australians over \$201 billion over the last five years<sup>1</sup>.

The Reserve Bank also estimates Australia's major banks receive an implicit government subsidy because they're considered 'too big to fail'<sup>2</sup>. In 2013, this subsidy was estimated to be worth up to \$3.7 billion<sup>34</sup>.

Australians are getting ripped off, and it's time we had more for Western Australians, and less for the big banks.

The Greens are the only party that does not accept donations from banks, and we will ensure the big banks pay their fair share by introducing a state banking levy into Western Australia.

We will introduce a Big Bank Levy of 0.015%<sup>5</sup> per quarter on the four big banks, plus Macquarie Bank. The levy will be applied against WA's share of the banks' liabilities, mirroring the approach used in the Commonwealth's Major Banks Levy<sup>6</sup>.

This levy will raise up to \$230 million per year for WA communities, allowing us to boost investment in education, mental health services and construct much needed social housing.

### The Greens will:

- ▲ Implement a state-based Big Bank Levy of 0.015% per quarter on WA's share of bank liabilities
- ▲ WA's share of bank liabilities will be calculated using the state's share of national GDP, which was 13.8% in 2018-19.
- ▲ Generate up to \$230 million for Western Australia annually.

1. Breidbach, C, Culnane, C, Godwin, A, Murawski, C & Sear, C, How Australians feel about their finances and financial service providers 2019, the University of Melbourne, Melbourne, 2019.
2. The Reserve Bank of Australia has found that the large Australian banks receive an effective subsidy of between 20 - 40 basis points (0.2% - 0.4%). See RBA's 'Parliamentary Briefing, 24 February 2012 - Implicit Guarantees for Banks' <https://www.rba.gov.au/information/foi/disclosure-log/pdf/151609.pdf>
3. Ibid.
4. See ABC article: <https://www.abc.net.au/news/2016-05-26/banks-receive-almost-4-billion-dollars-from-implicit-guarantee/7447542>
5. The Greens (WA) proposed levy of 0.015% per quarter is considered a fair contribution in light of the IMF's recommendation and the implicit government subsidy the big banks receive in Australia.
6. The Commonwealth introduced the Major Banks Levy in 2017, implementing a 0.015% quarterly levy on the liabilities of the five big banks.