

To the Secretary
Senate Economics Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

24/6/20

SUBMISSION WITH RESPECT :-

RE: BANKING AMENDMENT (DEPOSITS) BILL 2020

Dear Sir,

I write to express my strong support for this Bill introduced by Senator Roberts on 27-2-20.

The reason I want this Bill to be passed in the Senate is to remove any doubt as to whether or not my own banking deposits can be used to "bail out" banks in the event of a banking crisis in Australia.

At the moment our present legislation as set out in the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 passed in the Senate on the 14/2/2018, does not specifically exclude depositors' savings accounts BY LAW and Senator Robert's Amendment will do that.

With the global financial banking situation as it is today I fear a very real possibility that depositors funds may be used to prop up banks through the new powers APRA now has to resolve bank crises.

My reading of the situation is "Other Measures" means banks can be directed via their Terms and Conditions to set in motion the "bail in" of depositors' funds and this would have a greater destabilizing effect on all Australians than even the damage done by the present COVID crisis.

Senator Roberts said Bill will ensure not only the protection of my own bank deposits but all depositors' funds and prevent the situation that presently exists in New Zealand where their Open Bank Resolution Act specifically states depositors' funds can be usurped by a bank to prevent its failure.

Yours Sincerely,
David Orr

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