

MJ NEEDHAM

25 June 2020

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sirs and Madams

Submission to the Senate Inquiry into the Banking Amendment (Deposits) Bill 2020

I respectfully request that your report will recommend acceptance of this Bill.

I and my wife are self-funded retirees. The value of our assets and income are not too much above the cut-off value which would entitle us to a part government pension and we would like to stay independent for as long as possible. Most of our assets and income are in the form of bank deposits and the income they produce. The income is shrinking fast due to low interest rates but at least we have the face value of the money, less what we require for a modest lifestyle. Bail-in of any of our deposits would have a very serious effect on our finances. To my unsophisticated mind, how would that be different to stealing?

The Covid-19 pandemic will have considerable negative effects on the economy and on individuals. Wording in the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Bill 2017 would allow bail-in of depositors' funds.

I understand the government spokespeople have said bail-in of deposits is not intended and would not happen. Frankly I do not believe that unless the specific exclusion from bail-in provided by the Banking Amendment (Deposits) Bill 2020 is passed by parliament. Conversely, if it is not passed, it confirms the government wants to keep open the option of allowing the banks to bail-in our money.

I hope this submission receives favourable consideration and your Inquiry leads to keeping our deposits safe.

Yours faithfully,

Michael J Needham