



STANTON

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

Senate Economics Legislation Committee

Submission regarding *Banking Amendment (Deposits) Bill 2020*

It has been claimed that under current legislation, deposits can be 'bailed-in'. Having read the legislation, I conclude that whilst not specifically stated, there is room for such an event to occur, despite assurances to the contrary.

As a business that maintains and relies upon access to funds, Stanton is very concerned about this apparent loophole and its **impact upon our ability to plan**.

As you are aware, the *Banking Amendment (Deposits) Bill 2020* seeks to amend the *Banking Act 1959* to "provide that the conversion and write-off provisions do not extend to the bail-in of deposit accounts; and provide that nothing in the Act or other Commonwealth legislation gives the Australian Prudential Regulation Authority the power to implement, authorise or direct the implementation of bail-in of deposit accounts".

It is claimed by some that such an amendment is unnecessary, as it addresses a non-existent problem. I disagree; there is room for an adverse interpretation and implementation of the current Act.

If this is a non-issue, then there will be no harm whatsoever in recommending the passing of this Amendment.

As a small business owner and employer, I would be very much relieved to see this passed. If it is not passed, that will simply, in my mind, add to the evidence that there is a hidden agenda to purloin a portion of our hard-earned deposits.

You need to understand **the perspective of small business owners** here. The uncertainty around whether deposits will be bailed-in, and to what extent – especially given reports of such events overseas – **significantly reduces confidence** and **impacts on our ability to plan and invest**.

I strongly urge you to remove this doubt and help **restore confidence**, which is already battered by other factors. The last thing we need now is yet another uncertainty, and especially such a major one. You can resolve this very simply by recommending acceptance of this Amendment, which has no downside, but from my perspective a very large upside.

Yours faithfully,



John Loiterton
Managing Director
Stanton Engineering Consultants Pty Ltd

24 June 2020