

## Submission to the Australian Senate Economic Legislation Committee

Re - *Banking Amendment (Deposits) Bill 2020*

Introduced into the Australian Parliament by Senator Malcolm Roberts on 27<sup>th</sup> Feb 2020.

Dear Senators

By the end of September 2020 the government's Job Keeper and Job Seeker financial packages will be over. Banks have already deferred tens of thousands of housing and business loans. If people cannot pay their debts or have lost their jobs the banks will be in an even worse situation than they were before the Covid 19 crisis hit. However, this should not be seen as an excuse for APRA (The Australian Prudential Regulatory Authority) to mandate a Bail In.

The *Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2017* was voted in, in Feb 2018.

MPs have told me that this legislation won't allow bail in but it is worded in such broad terms that I am not reassured at all.

The bill has been analysed by a legal expert whom I know personally and found to allow a bail in of the banks should APRA decide it is an emergency and order it.

To rectify this uncertainty, Senator Malcolm Robert's legislation should be passed and adopted for the good of all.

In introducing his legislation Senator Roberts seeks to amend the "Banking Act 1959" to make it absolutely clear that it in no way supports a bail in of the Australian banks and does not allow APRA to authorize or implement any such action. Such an order would divest innocent Australian depositors of their savings either by converting them to bonds or just writing them off.

I would suggest that should a bail in be allowed, there will be financial hardship and social unrest of the like that has not been seen since the 1930's depression years that my parents went through.

Max Goulter

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