



# Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

**Phone:** 1800 636 432 **Email:** [info@citizensparty.org.au](mailto:info@citizensparty.org.au) **Web:** [citizensparty.org.au](http://citizensparty.org.au)

---

## MEDIA RELEASE

---

14 November 2013

### **‘Bail-in’ denials exposed as lies! Media, ratings agencies confirm CEC’s warning that deposit-stealing is planned for Australia**

If your federal MP has assured you that the CEC is wrong, and that there is no “bail-in” law—to prop up failing banks with seized deposits, Cyprus-style—planned for Australia, [read the report in \*The Australian\* by Michael Bennet today: “S&P warns of ‘bail-in’ dangers for lenders”](#).

Bennet writes, “The credit ratings of the big four banks and Macquarie Bank could come under pressure if creditors were at risk of taking losses after being ‘bailed in’ following banking collapses, Standard & Poor’s has warned.

“The global ratings agency yesterday said giving the Australian Prudential Regulation Authority greater resolution powers could moderate the government support factored into the big four’s AA-ratings. The warning comes after the Treasury last year released a consultation paper seeking views on strengthening APRA’s crisis management powers.”

Bennet’s report confirms that bail-in is precisely the seizure of deposits that occurred in Cyprus in March, which has devastated the people of that country:

“In Cyprus, uninsured depositors were this year ‘bailed in’ as part of a recapitalisation of the nation’s biggest banks.

“S&P credit analyst Peter Sikora said a more comprehensive resolution regime in Australia that conferred bail-in powers to the regulator could weaken S&P’s assessment of government support of private-sector banks. ‘The government support factored into S&P’s bank ratings in Australia would likely be negatively affected if S&P believed the Australian government or APRA were likely to establish powers within a resolution process that could see the repayment of creditor principal or interest delayed, or if creditors were likely to take a financial loss as part of the execution of bail-in resolution powers,’ the agency said.”

Today’s report in *The Australian* concludes, “The ratings agencies have already taken action on the risks posed by bail-ins after Cyprus’s hard line. In September, Moody’s downgraded billions of dollars in subordinated debt issued by Australian banks due to bail-in risks.”

Citizens Electoral Council leader Craig Isherwood responded to today’s coverage in *The Australian*:

“Joe Hockey has for months issued repeated denials to his fellow Coalition MPs that bail-in is planned for Australia. Those MPs have passed on those denials to their concerned constituents. Those denials are lies.

“This bail-in policy must be stopped before it becomes law in Australia, otherwise the deposits of every Australian will be earmarked for confiscation to prop up the banks when their reckless derivatives gambling and property speculation sends them bankrupt.

“The CEC is leading this fight. The CEC has distributed a million copies of our [New Citizen newspaper](#) around Australia to warn the population that bail-in is being drafted into legislation by the Financial Systems division of the Treasury. The CEC is presently calling every elected official and community leader in the country to enlist their support to stop this policy.”

Isherwood concluded, “If you don’t want bail-in to become law in Australia, join the CEC’s fight.”