



Submission by Grey Power Federation New Zealand Inc. on the Depositor Compensation Scheme Regulations

TO: The Reserve Bank of New Zealand – Te Pūtea Matua
Email dta@rbnz.govt.nz Subject line: DCS Regulations submission

This submission is from Grey Power New Zealand Federation Inc.

SUBMISSION

Grey Power strongly endorses the urgent need for a Depositor Guarantee Scheme in New Zealand. Hard working New Zealand depositors deserve the protection of their savings, as is currently available in virtually all OECD countries, but yet to be implemented here.

Grey Power is, however, dismayed and angered that the consultation document on the Depositor Compensation Scheme Regulations dated 11 March 2024 (Reserve Bank of New Zealand) is promoting a scheme where depositors would be expected to cover the cost of protecting their money invested in a commercial financial entity.

We are adamant that the Depositor Compensation scheme must be fully funded by levies on licenced deposit takers, with legislation simple for consumers to understand.

Just as households, and businesses are responsible for insuring their assets, the same should apply to institutions who are profiting from investing the deposits of New Zealanders. Bank profits published by (KPMG's Financial Institutions Performance Survey (FIPS) Bank review of 2023) shows that banks made a net profit after tax (NPAT) of \$7.21 billion for 2023. Clearly there is no financial reasons why this institution should be exempt from fully covering the costs of the Depositor Compensation Scheme.

Grey Power urges that the costs of the Depositor Compensation Scheme be exempt from any levies on New Zealand depositors.

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