

MEDIA RELEASE

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Case mounts against friendless deposit tax

Opposition is mounting against the proposed deposit tax which is friendless ahead of the upcoming Federal Budget.

"The Abbott Government must join savers, academics and the independent Financial System Inquiry in saying no to the deposit tax," COBA CEO Mark Degotardi said.

"Over-50s lobby group Seniors Australia is saying loud and clear: 'leave savers alone'.

"University of NSW academics describe the deposit tax as 'dumb policy'.

"The Murray Inquiry, the most significant and wide-ranging inquiry into the financial system in two decades, recommends against the tax.

"The deposit tax is anti-competitive because it hits smaller banking institutions harder than the big four banks.

"The deposit tax is anti-saver because it adds to the already unfairly-high tax burden on deposits.

"The deposit tax is the last thing savers need at a time when interest rates are at record lows.

"Treasurer Joe Hockey acknowledged this week that savers are doing it tough when he said:

'The Reserve Bank is cutting interest rates, which is good for families. It's a bit harder, particularly for people who have their savings in the bank.'

"Mr Hockey clearly understands the problems for families trying to save.

"So we say to the Treasurer – don't take an axe to the savings of everyday Australians. Use that axe instead on this unfair and anti-competitive savings tax.

"This tax will hurt consumers and do nothing to secure Australia's financial system or restore consumer trust."

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