



**Rabobank**

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*Date* 20 April 2018

*Subject* **Draft Legislation: Banking Executive Accountability Regime - Size of an Authorised Deposit-taking Institution - Draft Legislative Instrument**

Dear Sir/Madam

Rabobank Australia Limited (RBAL) welcomes the opportunity to respond to The Treasury's Draft Legislation on *Banking Executive Accountability Regime – Size of an Authorised Deposit-taking Institution – Draft Legislative Instrument (Draft Legislative Instrument)*.

RBAL is a part of the international Rabobank Group headed by Coöperatieve Rabobank U.A. (CRUA), a leading specialist in food and agribusiness banking. CRUA has nearly 120 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food production and agribusiness. CRUA is structured as a cooperative and operates in 40 countries, servicing the needs of approximately 8.6 million clients worldwide through its own Branch presence (such as CRUA Australia Branch) and/or locally incorporated subsidiaries (such as RBAL) and a network of more than 1000 offices and branches internationally.

In Australia, Rabobank is one of the leading agricultural lenders and a significant provider of business and corporate banking and financial services to the region's food and agribusiness sector. Rabobank has 61 branches throughout Australia. Of these 61 locations, 56 are in regional and rural areas contributing to the Australian economy as a regional employer and as an active promoter of food, agribusiness and regional affairs. Through RBAL, Rabobank reinvests 100% of all retail deposits raised back into the food and agriculture sector through loans.

Rabobank supports reforms that strengthen accountability and competition across the banking industry, and supports the BEAR's stated policy intent to "provide greater clarity in relation to responsibilities and impose heightened expectations of behaviour in line with community expectations."

Rabobank contributed to and supports the Australian Banking Association's submission to The Treasury with respect to the Draft Legislative Instrument. Specifically, Rabobank supports the recommendation that the Draft Legislative Instrument be amended so that a 'small ADI' would be defined as having less than or equal to \$30 billion total resident assets rather than the current definition of having less than or equal to \$10 billion total resident assets.



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It is Rabobank's view that amending the draft legislative instrument in this manner would enhance competition across the banking sector by lowering the regulatory burden on smaller ADIs. Further, it would allow flexibility in remuneration practices to facilitate attracting and retaining talent which enables these ADIs to better innovate and compete against larger ADIs.

Thank you again for providing the opportunity to comment on the Draft Legislative Instrument.

Yours sincerely

**Peter Knoblanche**  
Managing Director,  
Rabobank Australia & New Zealand Group