



**Media Release of 28/11/2008  
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## **GUARANTEE SCHEME FOR LARGE DEPOSITS AND WHOLESALE FUNDING OF DEPOSIT-TAKING INSTITUTIONS**

From today, the fee structure for large deposits and wholesale funding for the Government's guarantee comes into effect.

The Government guarantee will ensure that our banks are able to raise the funds they need to provide home loans and lend to small business. This ongoing lending is critical for our economy.

Under the Government's guarantee, the 99.5 per cent of depositors with less than \$1 million will continue to benefit from the guarantee free of charge.

For deposits over \$1 million and wholesale funding a fee will now apply to access the guarantee.

The application of a fee will help to ensure the ongoing stability and effective operation of Australia's financial markets.

Implementation of these arrangements is a substantial step at a time of significant turbulence in financial markets.

The Government has very strong real-time monitoring arrangements in place through the Council of Financial Regulators and stands ready to refine these arrangements if necessary, on the advice of the Council.

Royal Assent was given yesterday for the Guarantee Scheme for Large Deposits and Wholesale Funding appropriation Bill 2008. This will ensure confidence in international financial markets that timely payment of a valid claim under the deed will be made in the unlikely event of a default.

The Australian Government Solicitor issued a legal opinion today endorsing the validity and enforceability of the deed.

Copies of this opinion, the deed of guarantee and scheme rules are available on the scheme website, [www.guaranteescheme.gov.au](http://www.guaranteescheme.gov.au).

In addition to the relevant legal documents, the website includes a Q&A section that outlines further details of the scope of the arrangements.

CANBERRA  
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