

Market Conduct Division
Treasury
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Bendigo and Adelaide Bank (the Bank) welcomes the opportunity to provide a response to the consultation into the proposed Treasury Laws Amendment Bill (the Bill) using technology to hold meetings, sign and send documents. Our Bank strongly supports the proposed changes to the *Corporations Act 2001*, and we believe the amendments will create significant benefits for our 84,000 business customers and 110,000 shareholders, as well as the hundreds of Australian communities we serve.

During the period June 2020 to March 2021 we offered the digital services outlined in the amendments and as a result, our stakeholders experienced enhanced convenience, efficiency, productivity and accessibility. We welcome the move to make these temporary measures, permanent. However, we strongly recommend the amendments clearly outline whether a mix of wet and electronic signatures are acceptable. We see this as an important measure to reduce complexity and ensure clarity for customers and the industry.

For more than 163 years, Bendigo and Adelaide Bank has sought to feed into the prosperity of our customers and communities, not off it. We aim to ensure our customers have timely access to credit and drive value for our shareholders. This helps to generate opportunities for economic growth, while empowering Australians to fulfil their aspirations and contribute to the nation's success.

Since 2019, our Bank has explored providing digital execution solutions to our business customers. The events of 2020 accelerated our implementation of the offering, with our customers and employees eager to utilise the digital service. In the past financial year, more than 17,000 documents were electronically signed – a move that significantly expedited document processing times. This was critically important during the first 12 months of the pandemic, when quick access to finance assisted many businesses through difficult times.

Bank data shows if the amendments pass, our business customers will save at least three to five days in document processing times. Our Rural Bank customers are expected to see a reduction of five to ten days. In some instances the time saved will be more, as postal delays can contribute to wait times in rural and remote areas where the postal service may be less accessible or reliable. It is also worth noting any customer Australia-wide may experience delays in receiving documents as a result of boarder closures, further lockdowns or increased post volumes – issues which are easily addressed by the digital solution.

Rural Bank is a part of our business portfolio and serves about 10 percent of Australia's agriculture industry. In the absence of digital execution our Rural Bank employees will often personally deliver documentation

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that requires a wet signature. This can be time consuming and detrimental to farmers in need of quick assistance. To illustrate the positive impact of these changes, we should look to the experience of a farmer in Nyngan, a small town almost 200 kilometres inland from Dubbo in New South Wales.

In early 2021, our Agribusiness Relationship Manager based in Dubbo had an urgent loan to finalise for the customer. Instead of waiting for his banker to drive two hours to deliver the documents, our customer instantly received the documents via our electronic agreement application “DocuSign”. He quickly and conveniently completed the electronic sign-up during his morning break. Meanwhile, our employee was travelling to see another customer when he was alerted that the Nyngan farmer had completed the application. From the roadside, our employee accessed the digital envelope and completed the sign up. The entire process was completed in under three hours – less than the time it would have taken to drive from Dubbo to Nyngan and back.

When compared to wet signatures we do not see electronic document execution resulting in an increased risk profile. As a Bank we acknowledge that data security is critical and fraud activity can occur in Australia. We continue to invest to secure our customers’ information and personal details. Practices our business undertakes to increase security includes two factor authentications for access to documents and a requirement for two individual mobile phone numbers on documents with multiple applicants.

We have also been able to significantly reduce our environmental footprint through the electronic execution of documents. In the last financial year, 304,000 pages of paper were saved, which equates to six tonnes of wood. Our Bank welcomes this outcome as we recognise climate change has far-reaching impacts for the environment, the economy, society, our customers and their communities. We support the Paris Agreement objectives and the required transition to a low carbon economy. We are committed to playing our part in this transition and are working to build climate mitigation and adaption into our business and to assist our customers and their communities to build climate resilience into their futures.

We are also supportive of annual general meetings (AGM) being held virtually or via a hybrid model. In 2020, our virtual AGM saw more than 560 people safely and conveniently join or listen to the meeting, where more than 60 questions were raised by shareholders and addressed by the Board at the meeting. Both attendance and active participation is consistent with previous in-person AGMs and indicates our shareholders are open to embrace digital mediums.

In 2020, our Bank utilised the provisions available in the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (Cth) to provide an information page to shareholders as to where the notice of meeting for the AGM (and any related information) could be viewed electronically in place of providing a hard copy document. This enabled our Bank to save on costs associated with printing the 2020 notice of meeting (20 pages per document) to more than 68,200 shareholders, not to mention the benefits associated with our Bank’s environmental footprint. This expense and impact could be perceived unfavourably by our shareholders who expect us to act in a prudent and sustainable manner.

In closing the proposed amendments to allow for enhanced digitisation of previously cumbersome and outdated processes mark an exciting leap forward. These changes play an important role in ensuring capital flows efficiently and securely to the businesses that can drive growth and prosperity for our nation. For the reasons set out above, we support the proposed reforms. Furthermore, we support the requests and the issues outlined in the ABA and Allens' submissions.

Yours sincerely,



Marnie Baker
Managing Director and CEO