

## SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

**Submitted By:** Ronald Ernest jean

**Email:** [REDACTED]

**Phone Number:** [REDACTED]

**Submission for:** My Self

**Name of other person, business or organisation:**

**Do you agree to your submission being published:** Yes

**Do you agree to your full name being published:** Yes

**Your submission:**

The Commissioner seeks submissions on these questions.

Commissioner Hayne has asked:

***“What can be done to prevent the conduct happening again?”***

The number one answer to that question is break up the banks

### **1. Consumer lending.**

Consumer lending & specifically lending into the housing market has dominated the banks lending policies ever since the regulator (APRA) altered the capital ratio on finance the banks must hold thereby permitting them to invest more of their lending business into housing to the detriment of Manufacturing/Agriculture etc. As a result we have witnessed the foreclosure of many farms & businesses by the banks in order to free up that finance which could be then used in significantly more lending in the housing market. This resulted in banks acting criminally as well as lending to people who could not financially afford to take on such heavy loans

Not only has this contributed heavily to the current housing bubble but has also impacted negatively on Australian Business & Agriculture. As we are now witnessing the International interest rates are on the increase which will tip the housing mortgage market into a crisis.

The fact that APRA being the regulator manipulated these capital holding rates can be seen as the instigator which encouraged the banks (without any form of controls) to act as they have.

### **2. Financial advice.**

If commercial banks were not “vertically integrated” with wealth management, stock broking, insurance and superannuation, they wouldn’t be able to fleece customers with financial advice that lures them into buying products and investments from the other businesses that the banks own. This lack of regulatory control have permitted the banks to become criminal in the behaviour. Banks should not be permitted to use customers money ( savings accts)as security in order to gouge profits from those very customers via other financial service products.

### **3. Small business lending.**

Without the incentives to concentrate most of their lending into speculating on the housing bubble, they would have more interest in lending to, and looking after, their small business and farm customers.

### **4. Agricultural lending.**

As mentioned in item1 above; the withdrawal of bank lending; illegal foreclosures on family farms, the refusal to provide loans to the Agricultural Industry have see those farms being sold out from under the families. This financing of such business should be the priority of Australian banks.

### **5. Remote communities.**

### **6. Regulation and the regulators.**

APRA & ASIC as regulators have shown through lack of action they are to close to the banks & do not enforce correct business behaviour. If the banks were broken up, and commercial banks were only allowed to take deposits and make loans, and kept separated from other financial services and speculation, the financial system would be much simpler, and

therefore the regulators would be better able to do their job. The banks would not be too big to fail, so APRA would not be able to use "financial stability" as the excuse for allowing the banks to get away with financial murder.

There is regulation which is tried & true in history which regulates through government control ( the peoples representative) the banks & their actions.

Legalisation is already before Parliament, the [Banking System Reform \(Separation of Banks\) Bill 2018](#), introduced by the Member for Kennedy Bob Katter on 25 June

This legislation will enact Glass Steagall separation of Commercial Banks from Investment banking as well as other financial business. It will also bring the regulator (APRA) back under control of the peoples Government