

SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

Submitted By: Bruce Thomas Haynes

Email: [REDACTED]

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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:

Dear Commissioner Hayne

I submit that the 'vertical integration' of Australian banks and associated financial institutions together with the undue focus on quarterly profit margins and housing mortgages have put the Australian financial system, and my financial security, at unacceptable risk.

I further submit that one important and effective way to reduce the risk identified above is to require deposit taking bnks to divest themselves of associated high risk, high profit, and often unethical financial businesses and to concentrate the banking business on loans based on deposits to fund housing mortgages, farms, businesses and the like. If a consequence of this is that the financial sector becomes less dominant in the Australian economy and productive enterprises develop further then this will be all to the good.

I anticipate an additional benefit of such a requirement will be that the divested insurance, wealth management, financial advice, superannuation, and like businesses begin to assess risk more realistically without the distorting effect of either bank deposits or the 'too-big-to-fail' security blanket they currently enjoy.

I also hope that no one in future will suffer the blatant malpractice that I experienced on retirement in 2004. On the advice of my employer I paid an 'independent financial advisor' \$2000 to provide a recommendation for my retirement superannuation. Remarkably, this independent advice identified 4 [REDACTED] products that each had produced 2% pa less over 5 years than my existing [REDACTED] account. The advisor was aware of the existing account when he framed the recommendations and still kept the \$2000. He was fortunate not to have sustained physical injury when committing this robbery.