

**SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5**

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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:

1. In re: question 825.7, "Are there structures that raise inherent problems for a superannuation trustee being able to comply with its fiduciary duties [etc.]": The misconduct and, dare I say, crimes exposed during the 6-17 August hearings on superannuation demonstrates the unacceptable dangers of the so-called vertically integrated banking/financial model. The conflict of interest inherent in assigning compulsory superannuation to the care of corporations whose *raison d'être* is to maximise shareholder profits would be too great a moral hazard, even were all bank executives and superannuation trustees as pure as the driven snow. With the ones we have, it virtually guarantees wrongdoing of the sort your hearings have brought to light. 2. In re: 825.8, "If certain structures do raise inherent problems, is structural change of entities, mandated by legislation or otherwise, something that is desirable?": I believe these conflicts to be unmanageable without a complete structural separation of financial institutions, so that banks must earn their profits through prudent lending to business and households, rather than by fleecing their clients—the more so since most of these clients would never choose to be such, were superannuation not compulsory (this is also a strong argument that all superannuation funds be run on the not-for-profit "industry fund" model). I therefore consider legislation to this effect not merely desirable, but of fundamental necessity. I note that Bob Katter MP has introduced to Parliament legislation which would achieve exactly that, the Banking System Reform (Separation of Banks) Bill 2018, which I commend to your attention. 3. Furthermore, the 17 August testimony of Australian Prudential Regulation Authority (APRA) officials including Deputy Chairman Helen Rowell makes it obvious that the decision-makers at APRA have at best failed utterly in their duty to police financial institutions' behaviour—and at worst, are (as I believe to be the case) criminally complicit in their misdeeds. I note that Mr Katter's proposed legislation would also address this problem, by making APRA justify its actions—or lack thereof—to the Australian public via a Parliamentary Joint Committee, rather than hiding behind its (too broadly interpreted) secrecy provisions as it does today.