

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5

Submitted By: Barry Powell

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: My Self

Name of other person, business or organisation:

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Banks cannot be relied on to do what is best for their customers. The moment de-regulation of the financial sector occurred in the 80s, the banks were in immediate trouble with reckless investments and on bent knees before the Govt. begging for guarantees. In the 2008 GFC, our so called strong and well regulated financial system supposedly got us through this. In reality we were basically "saved" by our trade balance with China, but the banks still needed to go to the Govt. for guarantees. Even these massive scares have changed nothing and the banks continue to rack up debt in non productive investment in derivatives many times our GDP, and in sub-prime loans causing our housing bubble which will see many purchasers lose their properties to the banks. We are very much a part of the next inevitable, looming, massive collapse of the global financial system, as the global system is very much intertwined. The banks, APRA and our Govt. collude and lie about the reality of the situation. Bank survival is all important to them, losses to customers (unsecured creditors) is just collateral damage and back-up for any investment losses. Banks are basically an essential service and loss of trust in them is of no use to anyone. Yet this is what they have put in motion. Since 2008, the BIS and FSB, through the G20, have been putting bail-in laws in place in as many countries as possible as bail-outs are no longer a reality. It is essential to them for the upcoming crisis. This mechanism has catastrophic consequences on the lives and living standards of individuals, and their trust in the banks and gov't. of those affected (Cyprus, Greece). Our Govt recently opened the door to APRA with a veiled and broad termed Bill which will permit bail-ins. It was done with stealth and with an invalid number of members to take a vote. Even a question about it permitting bail-ins was put aside and approval pushed through. It is therefore obvious, if our superannuation and other deposits generally, which are unsecured and uninsured, are to be protected from looting by the banks, it must be legislated. History proves banks cannot be trusted with self regulation and their influence over government allows them to dictate legislation that will allow them to use funds they have no right to, to protect them from their own reckless financial speculation. They pushed for bail-ins for insurance in the next crash which they cause. A Bill is before parliament to separate bank structures and safeguard depositors money, yet even at this quiet time for legislative debate, the Govt avoids debating it. APPROPRIATE LEGISLATION IS ABSOLUTELY ESSENTIAL. Banking System Reform(Separation of Banks) Bill 2018