

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:

With banks managing superannuation funds, insurance funds, mortgages and normal deposits there are extreme risks through the vertical integration that can be avoided through a Glass-Steagall style legislation to split the banks. Given that the highest percentage of mortgages are interest only, with many of these due to convert to attract higher repayments, while wages have been stagnant and given that property values are falling and interest rates appear likely to rise, the situation is similar to that leading to the GFC. Banks are very likely to be highly stressed and thus the bank owned mortgage insurances are likely to be worthless and the banks are sure to seek access to the superannuation funds and to the normal deposits. I am aware that Treasury denies the need to split the banks, having read their note to various local members, but I have also read a point-by-point refutation by a Dr Wilson Sy, a former APRA Senior Analyst. Please consider. 1. Recommending a split up of the banks to secure the Superannuation funds and other funds. 2. Recommending a broadening of the terms of reference to allow a full investigation of the total system including the regulators. I sincerely believe that your Royal Commission has the potential to initiate the reforms essential to achieve financial stability for Australia and elsewhere.