SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5

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Submission for: My Self
Name of other person, business or organisation:
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Your submission:

Dear Commissioner A recent study estimated the financial industry has charged around $700 billion in fees for no service from the national savings pool of superannuation since the introduction of compulsory superannuation. [redacted] and the big four banks recently confessed they had charged fees for no service for around $220 million of this sum. Several generations of Australians have grown up with [redacted] piggy banks and have been taught to deposit and save for a rainy day. Passage of the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 allows for the bail-in of deposits. The Banking, Superannuation and Financial Services Industry has ensured the umbrella will not be there on a rainy day and reasonable expectations of [redacted] piggy bank owners who graduated to deposit or cheque accounts cannot be fulfilled. Given that deposits are voluntarily placed in a bank and most Australians reasonably consider them to be savings (since banks refer to deposit accounts as savings accounts) I attest that they deserve equal or more protection than compulsory deposits to superannuation. Bonds and shares should be treated likewise given they are voluntarily deposited and most Australians reasonably consider them to be owned by bondholders and shareholders. Likewise, millions of Australians have grown up with government assurances that money they compulsorily pay into superannuation awaits them in their retirement. A government superannuation guarantee calculator is at https://www.ato.gov.au/Calculators-and-tools/Super-guarantee-contributions/ . The banks have essentially removed the guarantee on super by their actions. These actions would not have been possible with a bank separation of safe functions from risky functions. I request that you recommend that banks merely hold deposits, bonds and shares according to the 'Banking System Reform (Separation of Banks) Bill 2018' because holding of these instruments by banks is reasonably assumed to be safe. Owners of deposits, bonds and shares voluntarily leave these instruments with the banks for safekeeping. They reasonably trust the banks to release these instruments because of government assurances of bank guarantees and implicit understandings of deposits, bonds and shares. Likewise, superannuation fund managers, credit unions, building societies and insurance companies should be limited in their risk by separation from other banking functions. It is reasonably assumed that insurance companies do not risk their existence by gambling in derivative trading. It is reasonably assumed by the vast majority of Australians that these institutions are safe, given the Australian Government has requisitioned superannuation guarantee contributions. The vast majority of Australians are unaware that the bank guarantee provided by the Australian Government is only to be activated when an ADI fails, that is after "conversion" provisions in the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 allow APRA to "convert" 100% of superannuation guarantees and "any other instrument" to bank shares that are frozen because the ADI has paid the equity derived out to counterparties of derivative bets. The vast majority of Australian Federal Parliamentarians are willfully ignorant of the implications of application of the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018. They have reasonably presumed that modern schools of economics and finance are all we have. Some are afraid of the majesty of those who actively suppress physical economy espoused in Franklin Delano Roosevelt's resurrection of the American economy. Glass-Steagall separation is the bedrock by which transfer of reasonable people's savings (including superannuation) via bail-ins and bailouts to derivative counterparties are prevented. Bail-ins cause economic austerity for reasonable people. Bailouts cause inflation for reasonable people. National credit banking is the means by which man set foot on the moon. This is seen as an extraordinary achievement by reasonable people. Central banking worsened the great depression. Freezing of foreclosures until price correction for homeowners will unfortunately also be needed to keep roofs over heads and lessen debt-slavery, lest the Federal Reserve continue quantitative tightening ($150 billion per quarter according to Jamie Dimon) as in 1929 and the Big Four continue to increase interest rates in tow giving reasonable Australians the real big screw. I ask that you recommend the separation of superannuation fund management and that in the interests of consistency you, ipso facto, separate management of other instruments which are worthy of separation. Yours faithfully Andrew Soulos former Mayor of Strathfield Council [redacted]