

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

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Your submission:

Upon retirement I received a 'lump sum payout' after forty two years in the one profession. With limited understanding of super funds at that time I accepted offers from (more than one) of the banks for their advice and consultation. Presentations by the three banks' with whom I met were similarly impressive and professional, though something did not ring quite true for me and I decided to do some research into superannuation for myself before making a decision. On studying their recommendations I recognised that all three were not fully disclosing all their commissions. - I also noted the emphasis on selling their own products to benefit themselves - I did not accept any of these proposals. Since retirement I have become particularly interested in our financial system, and more and more concerned at the worsening level of debt in Australia and throughout the World, a situation that should be of concern to our leaders in Government. The Royal Commission has highlighted worrying levels of fraud, sub-prime mortgages /faulty lending practices and improper activities of the banks within the Superannuation sector. Banks worldwide have been involved in money laundering, manipulation of interest rates, uncontrolled money printing, derivatives speculation etc. that is steadily heading us to financial disaster. The banks are closely linked globally and the Australian banks are heavily dependant on overseas markets for borrowing to meet their capital requirements. - This is mostly short term borrowing and, with the trend of increasing interest rates is likely to result in many mortgage defaults and failures. Our present financial situation bears an increasingly similar outlook to that leading up to the GFC in 2008 (only worse). The regulators are clearly not doing their job, and 'Canberra', the Regulators and the Media seem to be all 'in denial'. With the looming global crisis it is vital that an overhaul of Australia's financial system be undertaken as a matter of some urgency. We need to take a new approach and adopt pre-emptive solutions now rather than wait for the inevitable collapse to occur. The current system is not working. It is of paramount importance that banks be structurally separated by legislation! The Banking System Reform (Separation of Banks) Bill 2018, introduced into Parliament on 25 June 2018 by Bob Katter, is essential to achieve a Glass-Steagall separation of commercial banks from all other financial activities...It is vital that this is mandated by legislation. In 1911 the Commonwealth Bank was set up (referred to as the 'peoples bank') with the goal of driving our economy, providing cheap credit for industry and infrastructure and assisting the needs of small business and farmers. It played an extremely positive role during the crisis leading up to World War1 in 1914, stopping the 'run' on the banks with guaranteed deposits, and maintaining stability and growth in those troubled times. It is timely for our Government to once again consider establishing a National Bank, one that is properly regulated, with a priority to act in the best interests of the people of Australia (rather than at maximising profits). A National Bank could be given the overall role of regulating banks to replace all the current authorities, that have proven so unsatisfactory. Structural separation of the banks through Glass-Steagall and the establishment of a National Bank are vital to avoid the likely financial collapse we now face, and I strongly urge and request these be considered as priorities in the interest of our beautiful Country and the protection of its people and their financial well-being. Graham Crowther [REDACTED]