

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:

Under item 825.18 I submit that structural separation of banking entities by legislation is indeed highly desirable, the inherent problem being that large, composite entities are more difficult to manage, to regulate and to repair than the primary entities from which they are formed, as delineated by well-defined, natural functions such as commercial banking, investment banking, insurance and superannuation. Moreover, it is apparent that a sufficiently complicated conglomerate can mask its internal activities even to the point of being practically invincible to regulation. Since 1933 the model of a successful, legislative solution to separation of banking activities has been the United States Glass-Steagall Act. And insofar as a similar bill has recently been introduced into the Australian Parliament under the title, "The Banking System Reform (Separation of Banks) Bill 2018", I further respectfully submit that the Commission should consider this legislative solution carefully.