

To:
The Commissioner,
Royal commission into Banking.

Re: Round five submissions.

My wife and I are self-funded retirees and, as a consequence, DO NOT receive any age pension from the government.

When we retired, our superannuation funds were converted to an allocated pension. We depend on this for our survival.

I am greatly troubled by the fact that our financial institutions have not learned anything from the 2007/08 Global Financial Crisis and I am convinced that we are heading for an even greater GFC, as a result of Central Banks around the world printing money out of thin air, without asset backing. This has resulted in the estimated global debt now being 3 to 4 times as much as it was in 2007/08.

The Australian Federal Government already has legislation in place for a “bail in” of banks that become insolvent, meaning these banks could seize any assets (such as superannuation, savings deposits etc) that belong to their clients. I note that the superannuation of politicians and public servants is protected by law from a bail-in, but all other members of the Australian workforce are not protected from bail-in.

As the Royal Commission has already found, Australia’s big banks have looted hundreds of billions of dollars from the retirement savings of millions of people who are clients of bank-owned “retail” superannuation funds.

I consider that all Australians should be protected from losing their superannuation nest-egg to bail-in.

The banks shouldn’t own super, or any other financial business, and that super is just one of the reasons Australia needs a Glass-Steagall type structural separation of the banking system.

The private member’s bill that Member for Kennedy, Senator Bob Katter introduced into Parliament on 25 June, the “Banking System Reform (Separation of Banks) Bill 2018”, will stop banks from looting super accounts by forbidding them from owning superannuation funds.

It seems that the federal government is reluctant to even debate this Bill, as it was introduced into the Senate late on a Thursday night, when only two senators were present in the chamber, preventing debate of the Bill, as a quorum of four senators is required to debate any Bill.

I therefore urge the Royal Commission to make a strong recommendation in its findings for a Glass-Steagall type structural separation of the banking system.

Yours faithfully,

Stephen Kardos