27 March 2019



Dear Committee Secretary and Senators

INQUIRY INTO THE BANKING SYSTEM REFORM (SEPARATION OF BANKS BILL 2019

I am a registered member of the Citizens Electoral Council and have been for several years. Being fully apprised of their stance on the issue of banking reform I am in total agreeance. I am also conversant with the findings of the Royal Commission into banking and feel that the terms of reference placed on that commission by the Liberal Government was definitely inadequate.

Having also followed media references and comments from politicians from various parties regarding the issue has prompted me to make my views known.

I strongly express my support for the Separation of the Banking System Reform (Separation of Banks) Bill 2019 introduced by Bob Katter into the House of Representatives in June 2018 and Pauline Hanson on the 12 February last.

The terms of reference the Royal Commission had to abide by did not include banking separation. The subject bill is based on the Glass-Stegall principle of full banking separation which worked in America for about 70 years. I feel that the repeal of Glass Stegall ultimately had a contagion effect on the recession experienced by countries thereafter.

There have been disagreements between various authors and politicians, the concerns of which have been given media attention or otherwise published on line, regarding the advent of another even more serious recession. Australia is not immune, as has been indicated by our soaring mortgage rate and that experience by several overseas countries. Default rates are increasing and house values have fallen in Australia and elsewhere. A repeat of the same scenario experienced in the past.

World banks have crashed and will continue to do so, caused mainly by their gambling through the introduction and support of derivatives and the like. Banks have a serious ongoing problem and this requires strict government legislation. Those controlling banks have failed miserably in the past. The proposed bill brings APRA under tighter parliament control.

Is another bail-out the remedy? Not likely! Recent legislation passed by our Liberal Government suggests bail-in. To allow the banks to virtually steal deposits of their customers is not on, and for governments to introduce legislation to protect banks at the expense of depositors would certainly destroy any confidence the public has in governments, as well as the banks.



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Banks and their executives must be made to account for the misconduct exposed by the Royal Commission. The proposed legislation I support leaves no room for the banks to read between the lines, as is the case with legislation and ideas otherwise presented.

Under the circumstances I strongly support the legislation introduced by Bob Katter and Pauline Hanson and believe that wide ranging discussion be offered by government to Australians to avert the oncoming controversy. The proposed bill is the only viable and realistic answer and it should be passed into legislation without delay.

Yours sincerely

J G Philp (John)

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