Submission to support the Banking System Reform (Separation of Banks) Bill 2019.

Dear Senate Standing Committees on Economics

I am well aware of the previous historical period of WWII, through my parents who taught me of the diasters left behind.

In my observations, we have similar conditions and circumstances with the collapse of financial systems, due to the post WWII financial situation and the hyperinflation, which occurred in Weimar Germany, where they printed new currency, which had no value to back it up. We refer to this as quantitive easing and it is not a solution.

I have over 10 years experience in the retail banking and finance sector. Therefore I have a good understanding of how the banks have structured and managed themselves.

The banks all need to divest themselves of high-risk financial products and return to protecting and serving the interests of the public in Australia, that is the every day ordinary people going about their normal activity of making a living and paying their taxes and borrowing funds to purchase a home.

Due to structural changes to our banking system and too much self-regulation without genuine independent oversight, including the Auditor General no longer auditing the banks financial records, combined with [redacted] regulators who have become servants of the banks, our financial system has seriously deteriorated and the country is at risk of major systemic financial collapse.

APRA needs to be brought into line and to have direct oversight by the Australian Parliament and the practice of hiring previous banking executives must stop.

The banks all hold derivatives far above their real asset values – compounded by properties, which were already over valued and are dropping - and if called on they would never meet the debt obligations. This would destroy them and their customers. Ideally, they would call on all depositor funds to shore up their position, in the next financial crisis.

Further, the banks have been permitted to maintain these derivatives, off balance sheet, so they are no longer obligated to disclose their level of debt exposure.

Overlay these factors with the demands by the International Monetary Funds (IMF), that the Australian Government legislate to ensure the banks can seize depositors money in the event of the next financial crisis, aka bail-in.

There are three recent warning signs, which combined confirm that our financial system is in dangerous waters. We are overly reliant on the retail and residential property sectors. Both of these areas are going through the beginning of a significant down turn.

- Melbourne property prices have dropped by 13%, an unheralded drop and a historic moment in the Victorian property market, this trend is reflected across the country.
- New car sales have dropped significantly, and combine this with the dire state of the retail industry. Consumer confidence is at an all time low.
- Sun Corp, has taken an unprecedented move and has withheld principal repayments on unsecured mortgage bonds, because the mortgage default rate has risen to 3%, an absolute disaster in banking terms.

The banks are withholding multiple properties being placed back on the markets, which have been foreclosed on due to mortgage defaults, in order to stop further major drops in property prices. I know from working in the banking system.

We are in the early stages of another financial crisis and it will come, the difference is that we need to be prepared and have safeguards in place for an orderly bankruptcy process in order to extinguish all the high-risk toxic debt that has been permitted to accumulate.

Italy passed a major milestone by unanimously refusing to permit bail in laws to access the populations to personal savings, in the event of another financial collapse.

Further, our fundamental rights and freedoms are under serious threat without the passé of this bill.

I beseech and implore you to use your Parliamentary powers and please support the Separation of Banks Bill 2019, to save us all now and to protect our future generations.

Kind Regards

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