

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

**Submission: National Consumer Credit Protection Amendment
(Supporting Economic Recovery) Bill 2020.**

I am a 75 year old Australian citizen with 6 children, many grandchildren and several great grandchildren and I continue to run a small business.

As a result of the current financial climate, I am deeply concerned by the state in which we are leaving the country as a legacy to the children that follow us. This is particularly true of the power that our government is giving the banking sector and their continued failure to reign them in despite the criminal and extraordinarily reckless and abusive behaviour by the banks as uncovered by the Royal Commission. And this is despite the fact that the Commission was Hog-Tied from the start by its restricted terms of reference.

The banks continue to demonstrate that they just cannot be trusted and so I'm therefore, strongly opposed to any softening of the bank lending rules and would much prefer to see such rules strengthened; particularly those relating to conduct and perhaps gaol sentences for those senior staff at the top who are found guilty of serious offences.

Australia only narrowly escaped the most negative aspects of the last GFC because, at the request of the Kevin Rudd Government, the U.S.A. government bailed out the American Insurance Company (AIG). Had it not been for that move, Australia would have gone down.

Sadly however, it is clear that we learned nothing from the GFC as the banks have been allowed to continue their reckless ways as is demonstrated by the massive housing bubble and by the bank's increased exposure to high risk derivatives. Government also failed to take measures to prevent a repeat of the problem; their only reaction being to legislate a 'Bail-in' law to save banks from failure. And how does Bail-In work? By allowing banks to convert private deposits into bank shares without the citizen's permission or even their knowledge. This has already happened in Australia before and recently in other countries – eg: Cyprus, so it's a real thing and a real threat to the ongoing welfare of Australia and particularly its citizens. Following the results of a recent Senate Enquiry, the government have agreed to change this to exclude private monies but as yet, have not done so.

The other government action was to spend a great deal of time and (our) money blocking calls for a full Royal Commission into the banking sector from all walks of life. Fortunately however, a few breakaway members of the Government forced the formation of a Royal Commission albeit with very restricted Terms of Reference and the ensuing Haynes report exposed extremely poor behaviour including poor lending practices.

The horrific reports from the Hayne's Commission, the equally disturbing experiences reported by citizens (See: "Banks Reform Now (BRN)") and the even worse findings of the "Banking and Finance Consumers Support Association (BFCSA)", show that the rights of borrowers were simply ignored because the banks knew that the borrowers did not have the funding to fight them in court. Clearly, borrowers were at the mercy of the banks even when they had the law on their side so what chance if they don't even have the law with them.

Unfortunately the recommendations of the Royal Commission have been largely ignored by this government. Among them, Commissioner Hayne recommended that the responsible lending laws in the National Consumer Credit Protection Act should not be amended to alter the obligation to assess unsuitability and also recommended an improvement to the enforcement of laws like responsible lending, recognising that they were no good if they were not enforced. And here we are --- looking at a Bill to negate this very principle.

