

Senate Standing Committees on Economics  
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### **Banking System Reform (Separation of Banks) Bill 2019**

I make this submission as an Australian citizen with no connection to any political party but I have been influenced by the opinions offered by John Adams (former coalition advisor), Martin North (Digital Finance Analytics), Denise Bailey (BFSCA), John Dahlsen (former ANZ Director) and former Prime Ministers Malcolm Frazer and Paul Keating and propose that the committee accept the bill in its entirety.

This bill needs to be processed as a matter of urgency to enable changes to soften the impact on the public of a pending financial crash from the Australian property bubble. This crash will likely be very severe given that there are few 'cushioning' tools available with interest rates already at a very low level and with little in reserve to fuel a recovery, having spent the lot during the 1st GFC. 'Bank separation', along with other changes, makes it possible to protect the public to some degree rather than protect an insane banking system.

This predicted crash should be seen as our second GFC given that failure of our banks was only avoided by them being bailed-out through the bail-out of AIG by the USA government at the Australian government's request and by our government placing a guarantee on bank deposits to \$1,000,000.

Only a change to the system to reduce the banks 'power' will prevent GFC's becoming a regular event probably on a 5 to 10 year cycle. You can fix this now by accepting the 'Separation bill'.

The benefits to the public offered via the 'separation bill', include:

1. It will remove the 'blackmailing' tool used by the banks of being "Too Big to Fail" that forces governments to use public funds to pay off their gambling debts through Bail-in and/or Bail-out.
2. The public's deposits are currently used to fund high risk investments such as derivatives and the separation, in cutting this access, almost eliminates the cause behind GFC's and would certainly place a major cap over the impact of any future failure.
3. Bank deposits will shift from being gambling funds to funding for the real economy with a resulting improved economy for all Australians and increased employment opportunities.
4. Commercial deposit-taking banks would again exist to provide the essential 'safe haven' for deposits for the general public and for the working capital needed by businesses.

I am concerned that Treasury also has too much power and will exert considerable pressure to stop this bill in favour of retaining status quo through their previous analysis that the change is far too costly for few if any benefits. I believe that this claim is self-serving in that their costs and benefits are primarily as seen through the perspective of existing banks and that there may even be benefits for new banks (John Dahlsen) and that the benefits would be welcomed at almost any cost by the public. Please obtain maximum public support to promote a balanced assessment of the views to be offered by the experts mounting a 'YES' case against the 'NO' case likely from Treasury and other

bank related identities by holding 'Public Hearings' for maximum press coverage. I believe that Australia now has bail-in laws, with this view being shared by many experts including Senator Stoker, and that a simple amendment to the bill would have been introduced had that Senate Committee held 'Public Hearings'. I implore you to consider Public Hearings very seriously.

Yours Faithfully

*Name Angus Brogan .....*

