

26 February, 2019

Senate Standing Committees on Economics
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Dear Sir/Madam,

I would like to support the bill “**Banking System Reform (Separation of Banks) Bill 2019**” introduced to parliament on the 12th of February, 2019 regarding the separation of powers in the banking sector.

We just had a very limited founding with the recent Royal Commission to Banking in Australia.

- None of the important and vital problems such as separation of powers (AKA Glass Steagall) was addressed.
- No compensation to victims was addressed... 4 Big Banks go to their way as Happy as Larry as they say.
- Blaming the brokers was an easy scapegoating way of trying to solve the problem.
- The result will be more concentration of power the BIG 4 Banks. And we saw that with their share price shooting up.
- It is very important that the reckless behaviours of the banks should not be allowed to continue.

It is imperative to separate retail commercial banking activities involving the holding of deposits from wholesale and investment banking involving risky activities.

We, as a fair society, need to limit the ability of banks to engage in activities other than socially valuable core banking activities.

We need to protect taxpayers and reduce moral hazard by removing explicit and implicit government guarantees for high-risk activities outside of the core business of banking.

We need to eliminate any conflict of interest that arises from banks engaging in activities from which their profits are earned at the expense of their customers or clients.

We need to provide for the safer and more effective use of the assets of banks, to regulate interbank control, and to prevent the undue diversion of funds into speculative operations.

I am sure this bill will make our financial system more robust and prevent the risky activities of the banks affecting the savings of the general population.

Sincerely,



Matthew (Mehmet) TUREN

