

To the Financial System Inquiry.

I believe the Government is planning to introduce legislation that would enable banks to essentially confiscate part or all of depositors' funds in the event that the banks cannot meet their obligations (so called bail-in); following no doubt the example set in Europe.

To this I object.

The only reason anyone would put their money in a bank at the current interest rates is because of the fear of thieves and that is certainly the case with me. If the bank is now planning to resort to thievery then I would prefer to take a chance and store my money under a bed because I know I have a greater chance of success confronting a human thief than the banks.

I have asked my local member if the government is planning such legislation so I can prepare my bed accordingly before enactment – no response.

Question: Is such legislation planned?

I believe depositors once had some protection in the form of the Glass-Steagall Act which was a USA act and was repealed in 90's. This essentially spit banks between commercial and investment and depositors' funds in one could not be used in the other. Since the repeal the banks have been gambling heavily with depositors' funds – (derivatives etc). I realise that it may be difficult because the banks will object (they already have of course crying that it would be too expensive), and the banks appear to be ruling the world and certainly have the ability and power to overrule almost any person, group or institution...but.

Submission: Please introduce (an Australian version) of The Glass –Steagall Act – preferably one that is as briefly and clearly written as the original.

Conclusion: If action is not taken now to curb the actions of these too-large-to-fail institutions they will get larger and the fall out will be even greater.