

The current system of "amalgamation" of high street and investment banking is at the root of the current banking "too big to fail" system.

The high street savings/commercial banking system is basically sound and robust in Australia but when exposed to the derivatives and derivatives of derivatives expanded out to infinity is where the instability comes from.

The 2 systems MUST be separated one is a real economy real work for real money system and the other..... to be blunt..... is just gambling all good while you are winning but things turn bad quickly when not winning.

This is the problem.

Keep the high street savings/commercial banking system SEPARATE (not just ring fenced) from the gambling arm.

If the gambling arm fails "so what" business fail every day but let them risk their own money not that of ordinary depositors, tax payers or non gamblers.