

MW Hill  
PO Box 442  
Berri SA 5343

18 August 2014

**Financial System Inquiry  
GPO Box 89  
Sydney NSW 2001**

Dear Sir:

Many Australians, particularly self funded retirees who depend on term deposit bearing income would be most concerned with a "bail in" policy for our Australian Banks.

Our four big banks were able to withstand the Global Financial collapse due to a strong regulation policy.

Australian banks have a responsibility to provide confidence to deposit holders.

The Superannuation policy is responsible for the contribution of over \$60 billion annually to the financial sector. It is critical that there is a strong regulation policy to safe guard retirement funds.

One of the main reasons for the Global Financial collapse was massive derivative trading, particularly encouraged by American banks. Fortunately, Australian banks were not caught up with this speculative policy.

It is estimated that our banks now have an exposure of over \$24 trillion in derivative trading. High frequency bets, junk bonds wrapped up as gilt edge securities, credit default swaps beggars belief.

Lessons from the Global Financial collapse would emphasize that our banking system closely regulate these sorts of activities to protect worker superannuation entitlements.

Laws to separate speculative derivative trading from normal bank practices should be enforced.

To remove safeguards and the responsibility of banks to honour their financial commitments would be disastrous for our nation's financial sector.

As former Prime Minister Malcolm Frazer once said "your money would be safer under your bed" may come to reality.

**Yours faithfully**

A handwritten signature in black ink, appearing to read "Malcolm Hill", with a small mark at the end.

**Malcolm W Hill**