

Submission to the Financial System Inquiry

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Australia is now vulnerable because our banking system is concentrated in just four banks, which between them hold the overwhelming majority of deposits and provide the majority of banking services. Australia's banks are exposed to \$24 trillion in derivatives and we should not allow this speculative gambling to continue and put our deposits at risk.

To solve the Too Big To Fail problem we need to:

1. Oppose any bail-in proposals demanded by international bankers which have already caused a disaster in Europe.
2. Support full bank separation along the lines of the U.S. Glass-Steagall Act. This will protect legitimate commercial banking, while risky investment banking and derivatives will not receive government protection.

In addition, Australia needs a government bank to invest in our nation's growth. We should not be reliant on foreign capital when our government can issue its own money to build infrastructure.