

## **SUBMISSION TO FINANCIAL SYSTEM INQUIRY**

In the event of another financial crisis as occurred in 2007/2008, there must be legislation enacted to ensure that the deposits of Australian citizen's in banks is not able to be seized and used for the benefit of failed financial institutions, as occurred recently in Greece. ( commonly referred to as bail-in )

A method existed in the USA, which, had it not been 'de-regulated' would have saved us from the Global Financial Crisis. It was the Glass-Steagall Act which protected depositors and the economy by separating commercial and investment banking. Instead, the Australian taxpayer footed the bill for propping up financial institutions and their failed investments. ( commonly referred to as bail-out)

Given the rapidly deteriorating state of financial systems including Governments around the World, legislation must be enacted immediately to split financial institutions including our "big four" banks and Macquarie into entirely separate institutions—commercial banks and investment banks.

Anybody depositing their money with an investment bank would know they were taking a risk and, furthermore, would expect to share the dividends in the event of good investments.

Conversely, citizens who were not prepared to take a risk with their life savings and/or retirement funds, could deposit those funds in a commercial bank and receive a modest interest on their savings.

Thank you for the opportunity to make this submission:

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