

There is an urgent need to separate investment banking from commercial banking. Australian banks are overexposed to derivatives trading and this endangers depositors. It is criminal to bail out banks with taxpayer's money or to confiscate or lock up depositors and shareholder's funds as per Cyprus. Legislation that directs separation is essential. Many nations appear to be looking in this direction.

A government that does not direct financial supply governs in a secondary manner. To improve competition and free the treasury from undue influence from the major banks, a national development bank is desirable. This would enable the Federal Government to finance infrastructure and developmental programmes which would ensure prosperity.

It is obvious that the Inquiry so far favours the interests of the TBTF banks. Financial deregulation has placed us in a precarious position and strong action by the government is needed. The Treasurer and Treasury appear to be too close to the larger players.