

## Financial System Inquiry

We would like to address this inquiry on specific points in the terms of reference.

Reference: 1.3 and 4.3

There is an assumption in our markets that wholesale money is different from retail money. There is also the assumption that only people with lots of money (2.5m) can have access to all financial products. Those with lesser amounts cannot. Why can't investors who have years of experience (we have 25yr) but do not have 2.5m be considered naive? The public in general lacks basic financial literacy. They are told so several times a day: Why manage your money when we can do it better? No wonder there are now 500,000 SMSFunds. They have decided that they can do it better.

There is too much dependency on the ASX to source money making opportunities. It is a crowded area where individuals, corporation, and hedge funds, among others, all battle it out with high speed computer trading in the background. We had a trading business for 6yr and did well, but finally gave it up due to HF computer trading. There is no competition here.

Reference: 3.1

The three day lag in banking transfers between financial institutions is a disgrace. Money has to 'lounge' around to be ready because direct transfers are frequently not available and certainly not fast enough. It takes me one day to transfer from my online account to my transaction account. Then it takes another day to transfer it from that account to my trading account. By then the opportunity is gone.

Reference: 4.1

Stop changing the savings system. Do not tax savings. Let people make choices about savings and superannuation and be certain that the money they put away will still be there when they need it. If you want productivity, get rid of the arbitrary work test for over 65. Why do things change at this age? We get money from 2 countries both of which clearly state that they do not care how much money we earn once a person turns 65.

Most of all, tell the public how financial market decisions are made and who makes these critical decisions that affect our lives.

Geoff and Ann Prudames