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15 February 2017

Hon. Katy Gallagher MP senator.katy.gallagher@aph.gov.au

Shadow Minister for Financial Services, Australian Labor Party
11 London Circuit,
Canberra ACT 2061

Dear Ms. Gallagher

**Question Time enables a significant opportunity to “right the wrongs” re the below Three Researched Injustices in the Australian Financial Services Industry**

**A.    Ten** [**Written Questions** [**(re Credit Card Products)**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CGrounds_for_asking_Written_Questions.htm) **for the Shadow Minister for Financial Services to submit to the Minister for Revenue and Financial Services during Question Time in the Lower House of Federal Parliament**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CWritten_Questions.htm)

**B.    Comprehensive** [**Grounds/Reasons**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CGrounds_for_asking_Written_Questions.htm) **why** [**the Shadow Minister for Financial Services should submit Ten Written Questions** [**(re Credit Card Products)**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CGrounds_for_asking_Written_Questions.htm) **to the Minister for Revenue and Financial Services, during Question Time**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CGrounds_for_asking_Written_Questions.htm) **- contains many graphs and tables mostly from RBA reports/submissions**

**Three Researched Injustices:**

**Item 1:**

**Some Credit Card Products evidence misleading and deceptive conduct, usurious interest rates and predatory advertising targeted at Australians with poor Financial Literacy.**

**Item 2:**

**Excessive remuneration increases by the Boards/CEOs of the *'Four Pillars'* that enjoy Oligopoly advantages/benefits with no scrutiny whether the costs are covered according to *Usage*.** [**Attachment 1**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CAttachment%201_Written_Question_re_Executive%20Rem.pdf)**.**

**Item 3:**

***Four Pillars* hold up to $1,000 billion in transaction deposit accounts:
- No interest of material consequence is paid to depositors
 (2 *Pillars* pay no interest, 2 others pay 0.1% pa interest) and charge
 an account keeping fee eg. $5 p/m.
- Invested by the *Four Pillars* returning market-rate revenue.**

The Writer refers to -

1. [**My First Letter to Hon. Katy Gallagher MP dated 5 Feb 2017**](Letter_To_Katy_Gallagher_5-Feb-17.pdf); and
2. [**My emails to Hon. Katy Gallagher MP sent 3, 6 and 14 Feb 2017**](Johnston_email_to_Katy_Gallagher_sent_6_Feb_17.htm)

I have today posted a CD (that auto opens at this letter in a Windows operating system) to Joe Blogs at 67 Coronga Cres, Killara NSW 2071 together with a copy of this letter.

* 2 -

Mr Bloggs can access A and B above by clicking on:

[**Summary Page to offer to the 'Federal Opposition' Written Questions for the Federal Opposition to present to the Federal Government in ‘Question Time’ in the House of Representative**](../Parliament/TenQuestions/Summary_Page.htm)**.**

The aboveURLwhich opens the below four files:

1. [**Grounds/Reasons for the Shadow Minister for Revenue and Financial Services submitting Five Written Questions to the Minister for Revenue and Financial Services during Question Time in the Lower House of Federal Parliament**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CTenQuestions%5CGrounds_for_asking_Written_Questions.htm)**(one document with 21 Chapters)**
2. [**Grounds/Reasons for the Shadow Minister for Revenue and Financial Services submitting Five Written Questions to the Minister for Revenue and Financial Services during Question Time in the Lower House of Federal Parliament**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CTenQuestions%5C21_separate_Written_Chapters.htm)**(21 separate Chapters)**
3. [**Written Questions**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CTenQuestions%5CWritten_Questions.htm)**(one document with Ten Written Questions)**
4. [**Written Questions**](file:///C%3A%5CUsers%5Cscribepj%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CSenex%5CCreditCards%5CParliament%5CTenQuestions%5CTen_separate_Written_Questions.htm)**(Ten individual Written Questions)**

I have expended an enormity of time in preparing 1) and 3) above because the Reserve Bank has been derelict in is duties to the material financial –

* loss by *Persistent Revolvers* (12.5% of Credit Cardholders) and possess only Level 1 Numeracy and Literacy skills; and
* gain to *Transactors* (67% of Credit Cardholders) that possess Level 3, Level 4 or Level 5 Numeracy and Literacy skills*.*

Chapter 9 (**attached**) evidences the RBA’s ‘*extensive powers*’ to require commercial banks to provide any financial information that the RBA wants to examine. The RBA has never sought the info in Written Question 1 (**attached**) to identify which Credit Cardholders are providing Interest and Late Payment Fees in ‘**Revenue**’ (**attached**).

My CD will auto open (in a Windows operating system) at this Second Letter to you.  If you use a MAC computer, the root address to open this Second Letter to you is **Senex\CreditCards\Comms\Second\_Letter\_to\_Katy\_Gallagher\_15-Feb-17.docx**.  (I could provide my files to you on a USB stick hard drive.  However, there is no integrity of the files therein, whereas there is in a burnt CD.)

Yours sincerely

**Philip Johnston**