**Ponzi Finance Scheme Coming Down Soon**

**Summary:**
With government and banker created bubbles likely to pop ... what can you do to protect yourself? The hard truth is that for three decades Aussies have benefited from pure luck. The Australian economy has grown through a property bubble inflating on top of a mining bubble, built on top of a commodities bubble, driven by a China bubble. Time is just about up. Only genuine reforms can save us .... and it might be too late. Meanwhile some of these tips might help you survive.

Article Information**Category:** Banking News
**Author:** BRN Contributor
**Date First Published:** 16 Dec 2017

Posted ByPeter Brandson
15 Dec 2017 - 9:26pm



**Alternate investing: How to protect your wealth from a corrupt banking system**

We live in unfortunate times where people's family wealth is no longer safe in a bank. Most of us were brought up with the indoctrination that banks keep your money safe from bad-guys. Now, the bad-guys are running the banks. BRN often hear people asking “what other options do we have other than using a bank?”.

Here are some options to consider. We do not give financial or legal advice. This very informative article has been provided to us by a skilled and valued BRN contributor. You should always do your own due-diligence before deciding what investment strategy is right for you. Our intent is to show that there are plausible options outside of the banking system, which previously one would not consider, however nowadays, one may need to.

## 1. Move to a credit union.

Traditionally, the argument against using a credit union is that they may not be afforded the same government protections as a bank. However this has been slowly changing. The customer owned banking association's website states that credit unions, mutual societies and mutual banks are subject to the same APRA legislation as banks and and deposits of up to $250,000 are guaranteed by the Federal Government since 1 Feb 2012.

Reference:http://www.customerownedbanking.asn.au/consumers/faqs/34-what-is-the-dif...

It may be worth adding credit unions to your shopping list when comparing deposit and mortgage rates with banks. One can then weigh up whether the few basis points saved at a bank is worth the risk of losing everything when the bank decides they need your money, in order to protect their

shareholders, if and when the next GFC arrives.

## 2. Gold Bullion

Over the last 16 years gold has shown steady growth averaging 8.1% per year, with only 3 years of negative returns. As gold has no dividend it is seen by market analysts as a “safe haven” in troubled times.

**Gold Price Performance: % Annual Change** Sunday, November 12, 2017

| | USD | AUD | CAD | CHF | CNY | EUR | GBP | INR | JPY |
|---|---|---|---|---|---|---|---|---|---|
| 2002 | 24.6% | 13.4% | 22.7% | 4.4% | 24.6% | 5.9% | 13.0% | 23.8% | 12.0% |
| 2003 | 19.7% | -9.5% | -0.4% | 7.7% | 19.7% | 0.5% | 8.6% | 13.6% | 7.7% |
| 2004 | 5.3% | 1.8% | -1.9% | -3.4% | 5.3% | -2.7% | -2.3% | 0.6% | 0.7% |
| 2005 | 20.0% | 28.9% | 15.4% | 37.8% | 17.0% | 36.8% | 33.0% | 24.2% | 37.6% |
| 2006 | 23.0% | 13.7% | 23.0% | 14.1% | 19.1% | 10.6% | 8.1% | 20.9% | 24.3% |
| 2007 | 30.9% | 18.3% | 12.1% | 21.7% | 22.3% | 18.4% | 29.2% | 16.5% | 22.9% |
| 2008 | 5.6% | 31.3% | 30.1% | -0.1% | -2.4% | 10.5% | 43.2% | 28.8% | -14.4% |
| 2009 | 23.4% | -3.0% | 5.9% | 20.1% | 23.6% | 20.7% | 12.7% | 19.3% | 26.8% |
| 2010 | 29.5% | 13.5% | 22.3% | 16.7% | 24.9% | 38.8% | 34.3% | 23.7% | 13.0% |
| 2011 | 10.1% | 10.2% | 13.5% | 11.2% | 5.9% | 14.2% | 10.5% | 31.1% | 4.5% |
| 2012 | 7.0% | 5.4% | 4.3% | 4.2% | 6.2% | 4.9% | 2.2% | 10.3% | 20.7% |
| 2013 | -28.3% | -16.2% | -23.0% | -30.1% | -30.2% | -31.2% | -29.4% | -18.7% | -12.8% |
| 2014 | -1.5% | 7.7% | 7.9% | 9.9% | 1.2% | 12.1% | 5.0% | 0.8% | 12.3% |
| 2015 | -10.4% | 0.4% | 7.5% | -9.9% | -6.2% | -0.3% | -5.2% | -5.9% | -10.1% |
| 2016 | 9.1% | 10.5% | 5.9% | 10.8% | 16.8% | 12.4% | 30.2% | 11.9% | 5.8% |
| 2017 | 10.6% | 3.8% | 4.5% | 7.6% | 5.7% | -0.6% | 3.0% | 6.1% | 7.0% |
| Average | 11.2% | 8.1% | 9.4% | 7.7% | 9.6% | 9.4% | 12.3% | 12.9% | 9.9% |

goldprice.org

*Reference:* [www.goldprice.org](www.goldprice.org)

More importantly, gold is a hedge against currency debasement. ie. inflation. As governments engage in inflationary monetary policy, the purchasing power of its currency reduces. Gold is a way of avoiding this debasement.

As an example, this famous picture from the 1930’s shows a regular second hand car for sale for $100. An ounce of gold was worth around $35 in the 1930’s. Therefore, we can say that in the 1930’s, this regular second hand car was worth 3 ounces of gold.




Over the last 80 years, the purchasing power of $100 has decreased to the point where it can no longer buy a second hand car. You'd be lucky to get a spare tyre for $100. But, as today's gold price is around $1,750 per ounce, 3 ounces of gold is valued at $5,250, which still buys you a standard second hand car.  Gold has maintained its purchasing power while government currencies are debased.

If you bought 1 ounce of gold in 2010 at AUD$1,225 it would now be worth around AUD$1,750 today.

Where to get bullion?

The daily gold price, referred to as the "spot price" can be viewed at www.kitco.com. Bullion dealers add their profit margin of around 2-5% on each coin or bar.

Some of the well-known bullion dealers in Australia are:

The Perth Mint: http://www.perthmint.com.au/metalprices.aspx
ABC Bullion: https://www.abcbullion.com.au/store/gold
Adelaide Exchange: https://www.adelaide-exchange.com.au/BuyBullion/OurProducts.aspx

Store your gold in a safe deposit box, or specialised safe storage like Brinks,
http://www.brinks.com/en/public/brinks-australia/precious-metals

Do not store gold in your sock draw!

**[Note:** BRN has no affiliation with these companies and we highlight these as examples. As always, do your own due diligence].

© Bank Reform Now™ - Australian Non Profit Organsiation - campaigning to put a stop to predatory, unconscionable banking practices.

## 3. Bitcoin & cryptocurrencies

Bitcoin uses a technology referred to as Blockchain. Essentially, it is not centralised, but a decentralised record of encrypted transactions, which makes it harder for banks to tamper with or for governments to control: hence the fear reaction from the banks and governments.

While most people agree that the underlying blockchain technology is the way of the future, the jury's still out on which coin will survive the "coin wars", https://coinmarketcap.com/

Some argue that bitcoin is just another dot-com-styled hype which will end in another dot-bomb-styled crash. Others argue that, what the internet did for the transfer of information, bitcoin will do for the transfer of money, completely bypassing the traditional banking system.

As an example, an international money transfer through a bank may cost around $20-40 and take 1-2 days before the money arrives at its destination. A bitcoin transaction could cost a fraction of this and only takes a few minutes to complete its transfer.

How to get bitcoin (Simplest way):

- Download a bitcoin wallet onto your smart phone from the app store. Eg Mycelium. https://wallet.mycelium.com/
- Set up the wallet with your 12 word password. Write the 12 words down on a piece of paper and store it somewhere safe. Do not store them on-line.

Note: if someone steals this piece of paper they will be able to steal the coins from your Bitcoin wallet without you realising. These 12 passwords will also help you transfer your coins when you upgrade phones. If you lose these passwords and lose your phone, your coins are lost.

- Go to a bitcoin ATM, scan your wallet QR code into the ATM, then insert your dollars, press the BUY button, and the bitcoins will be sent to your wallet. https://coinatmradar.com/country/13/bitcoin-atm-australia/

Transactions usually take a few minutes and ATM's usually charge around 5% commission.

The best way to learn about bitcoin is to go the various meetups of crypto aficionados or conferences. This is currently a hotly debated, new technology and so its price action is highly volatile and may not be suited for everyone. There is plenty of information for you to do your own research.

**The way forward**

**Hopefully in the future, we can clean up the corruption in the banking sector and we can all go back to entrusting our family's financial future with the banking system. But until then it is worth noting that there are options available other than the banks. Bankers rip off customers because they know they can. They are counting on customers not looking at non-mainstream investment options. If these options provide competition against the banks then it's up to the banks to show us why we should trust them again.**



© Bank Reform Now™ - Australian Non Profit Organsiation - campaigning to put a stop to predatory, unconscionable banking practices.

© Bank Reform Now™ - Australian Non Profit Organsiation - campaigning to put a stop to predatory, unconscionable banking practices.