

Tuesday 5 February 2019

Letter shows Morrison and banks worked together

A series of letters and emails revealed under Freedom of Information legislation shows that the Morrison Government worked closely with the heads of the big banks – including former Treasury boss and NAB Chair Dr Ken Henry – in the days before the announcement of the Banking Royal Commission.

The documents reveal that Dr Henry provided then-treasurer Scott Morrison with a draft of a letter bank bosses intended to send him effectively providing permission for a royal commission, and outlining the terms of reference and timeline that best suited their needs.

The letter, signed by the heads of each of the big four banks, recommended a short inquiry with “thoughtfully drafted” terms of reference that “reports back in a timely fashion”.

After a minor change in wording, the letter was released the next day, reversing the long-standing opposition of both the banks and the Coalition Government to a Royal Commission.

This took place only after it became clear that the Coalition would lose a vote to establish a Royal Commission on the floor of Parliament.

Quotes attributable to ACTU Secretary Sally McManus:

“These documents show just how closely the Morrison Government was working with the big banks to shape the direction and limit the time available for the Banking Royal Commission.

“The fact that the banks even provided Morrison with a draft of their letter to vet before shows the extent of this collusion. The banks must have believed they had an opportunity to influence the way the Morrison Government set up the Royal Commission – and they took it.

“In light of the underwhelming final report from the Royal Commission’s report, it raises serious questions. Would a longer, better-resourced inquiry have led exposed even more deeply entrenched wrongdoing and recommended greater reforms? Would more resources have enabled the establishment of a law enforcement task force separate from the failed regulators?

“This is another piece of evidence that the Morrison Government is protecting the big end of town.”

“Scott Morrison has to come clean with the Australian people and disclose the full extent of their dealings with the banks in the lead up to this Commission.”

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