

We The People
Program 327 March 4, 2019
We the People 327 Australia's Banking Con



Good Day to you. You would be aware of the Royal Commission into banking led by Commissioner Kenneth Hayne QC. The outcome was catastrophic for the banks which were exposed as mismanaged manipulators to the loss of all Australians. After much consternation the Coalition agreed to institute a Banking Royal Commission when public opinion demanded it. Now the shock results are out and everything will be better.....just like the flying pigs overhead. Here are some things you may not know about the Australian banking system enquiry.

As a reminder the regulators of the banking system are the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA). This arrangement is loosely called the Twin Peaks system and is a flawed structure as we have just witnessed. Now these two powerful departments are orbited by a veritable plethora of satellite systems all swirling in an atmosphere of self righteous bureaucratic hedonism. The end result is an incorrect belief that our banks are **'to big to fail'** which is of course, patently absurd.

The royal commission was scathing in its criticism of APRA for failing to prosecute misconduct. So you would expect the head of APRA to be castigated or fired. Nope, instead the Chairman Wayne Byres was reappointed well ahead of his contract expiry date and given a brand new contract for five years. Conversely, justice does occur in unexpected ways. Lets reflect on a little reported fact that at the official release of the Hayne's Royal Commission report, Commissioner Hayne **refused to shake hands with the treasurer** at a media call and it was by any measure a humiliating and revealing moment for Treasurer Frydenberg. You see the reality is that while Hayne did all the work and called the witnesses and so on, Treasury actually wrote most of the report and did so to suit themselves and thus revealing the great banking con or the **Grand Royal Omission**. The absolute mess of the bank's performance has resulted in the head of APRA being rewarded and if that's not a betrayal of the people I don't know what is. Key banking crisis legislation was deliberately and cynically timed to go through parliament when only a handful of MPs and Senators were present. But wait there's more, in that the federal government has lied about a most important matter and that is known as **Bail In**. This is where if a bank is failing the government has the power to suck money out of peoples personal accounts to cover shortfalls as happened in Cypress in 2013. It's called **theft** and is carried out under the very dubious umbrella of making the depositors pay their 'fair share'.....fair share of what.....! Now it's true that the legislation doesn't reference **Bail In** as such but it clearly gives the **discretionary power** to the regulator to act in a crises as it sees fit and the decision can be made in secret. Senator Stoker, a top barrister who has been a prosecutor as well as a judge's associate in both the Queensland Supreme Court and High Court of Australia, explained in a November 5, 2018 letter to a constituent.....*"The legislation facilitates bail-in as a type of resolution power which is available for dealing with financial institution distress"*.

Out of all this mess one casualty has been Ken Henry, previously Treasury Secretary and proponent of arrogance. His aloof and superior manner is well known yet we watched him humbled publically as he resigned as the NAB chairman. Commissioner Hayne was prevented from considering structural change as the government limited the terms of reference. No doubt this would have led to some far reaching recommendations to reduce risk including the great depression Glass-Steigel provision where the investment and commercial banking elements are separated. No wonder a courageous Kenneth Hayne QC would not shake hands with treasurer Frydenberg because the system is corrupt **and you can bank on that**.

Until next time this is Kent Bayley