



Australian Citizens Party

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MEDIA RELEASE

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Government sneaks through APRA ‘bail-in’ law, but fuels anti-bank revolt

Under siege from erupting public opposition, the Turnbull government whisked its APRA crisis resolution bill through the Senate and into law on 14 February. Of Australia’s 76 senators, only seven were present when the government rushed the bill to a vote, which passed “on the voices”, with no opposition from the Labor or Greens senators present. The process was hurried to ensure that senators who planned to move an amendment, to stipulate that the bill’s “bail-in” provisions must not apply to bank deposits, did not have the chance, and weren’t even present when it passed.

The passage of this bill was a live demonstration of the incredible power that banking interests wield over Australian politics. (Before it sold out to those banking interests and embraced neoliberal economics, the “old” Labor Party called them the “Money Power”.) This bill is going to backfire on the Money Power, however. In their desperation for a law that confiscates people’s savings to prop up too-big-to-fail (TBTF) banks, they have further fuelled the revolt in the population against banks and the political elites who serve them.

Dirty trick

The biggest scandal about the bill’s rushed passage, is the dirty trick the government pulled at the last moment to ensure it couldn’t be amended to explicitly protect deposits. A CEC delegation was in Parliament House this week meeting politicians from all parties, to expose the true nature of the bill. After having it explained to them, Pauline Hanson’s One Nation party proposed an amendment to the bill to clarify that it wouldn’t include deposits, which was the government’s claim after all. In a meeting with the government on the morning of the Senate debate, One Nation notified government and Treasury representatives that they intended to move the amendment. The government offered to have their legal experts look at the wording of the amendment. However, it was while One Nation was waiting to hear back from the government’s legal experts that the bill was rushed through without their knowledge. Not only did One Nation not get to move their amendment, no One Nation senator was yet present in the chamber!

Delayed and exposed by CEC

At the time the APRA crisis resolution powers bill was announced by Treasurer Scott Morrison back in August 2017, late on a Friday afternoon to avoid publicity, the CEC knew that the government intended to sneak it through quickly. After a token consultation period in which 250 CEC supporters and contacts made submissions, Morrison introduced the bill on 19 October. It is now clear from how quickly it was rushed through this week that the bill would have been passed in late October or early November, except that the CEC’s mobilisation prompted the Greens to refer it to the Senate Economics Legislation Committee. That inquiry was crucial, because it proved the level of intense public opposition to bail-in powers. The committee reported receiving more than 1,000 submissions from the public, but this was an understatement—the chair of the committee told a CEC delegation she had received around 2,000 emails!

The inquiry also exposed the government’s subservience to the banking interests, including *among the so-called regulators*. Despite the huge outcry, they refused to hold public hearings on the submissions. While the Senate committee was forced by the sheer scale of the public opposition to question the Treasury and regulators on the clear evidence from the CEC and experts like former APRA researcher Dr Wilson Sy that the bill could confiscate deposits, it accepted the regulators’ highly qualified denials without question and produced a report on 9 February calling the financial system “unquestionably strong” that recommended the bill be passed. That it was pushed through within just three sitting days after the committee produced its report, with staged non-debates in both houses in which just four members of the House of Representatives and three senators spoke, proved that it was only due to the CEC’s mobilisation that this bill had been able to be delayed at all. Although the bill ultimately passed, the delay allowed time to expose the bail-in agenda to thousands more Australians, as well as many politicians, who have been left shocked by the process.

Bail-in the battle, Glass-Steagall the war

The fight against bail-in is a battle in a larger political war for a just, productive financial system that protects people’s savings and serves the real economy. The larger goal includes a Glass-Steagall

separation of commercial banks with deposits, from all other financial services and all forms of speculation—the US law that protected Americans from banking crises for 66 years in 1933-99. Only Glass-Steagall can both protect deposits and ensure financial stability. It also includes a national bank, so that public credit can be directed into the economic infrastructure and productive industries that make the economy prosperous. With a crisis looming in the Australian property bubble that will bankrupt the banks, and more crises in the international financial system, these policies are urgent. The CEC is preparing legislation for Glass-Steagall for Australia, to go with its already-prepared national bank bill, to escalate the fight.