



# Australian Citizens Party

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## MEDIA RELEASE

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### **Ex-banker Jane Hume is rigging Senate inquiry into bank separation—she must go**

The Australian Senate committee inquiry into banking separation is being rigged to protect the banks—yet again. It is suppressing the true scale of popular support for the policy by only publishing a fraction of the submissions it is receiving. And it is refusing to hold public hearings to question the growing number of experts who publicly support banking separation.

After the revelations of the banking royal commission proved that the government had covered up bank misconduct and crimes for years, it is unconscionable that it would continue to suppress serious examination of banking issues. However, that is what Liberal Senator and ex-banker Jane Hume is doing as chair of the Senate Economics Legislation Committee, to its inquiry into the [Banking System Reform \(Separation of Banks\) Bill 2019](#).

The Citizens Electoral Council demands that Senator Hume recuse herself as chair of the Senate Economics Legislation Committee, on the basis of her clear conflict of interests, or be replaced. Her Liberal colleague on the committee, fellow ex-NAB banker Arthur Sinodinos, should also recuse himself or be replaced.

If you wondered why the Liberals ignored evidence of banking misconduct for years, and aggressively protected the banks from any inquiry into their crimes, look no further than Senator Hume and the other ex-bankers who dominate the top ranks of the government, including Treasurer Josh Frydenberg, and former Financial Services Minister Kelly O'Dwyer, who take key positions in government and parliament to ensure ongoing protection for the banks. According to Senator Hume's parliamentary biography, of which her own staff seem to be ignorant as they have claimed to constituents that she wasn't a banker, she had a ten-year career in banking and investment banking prior to entering Parliament, including as:

- Investment Research Manager, NAFM (NAB), 1995-98
- Private Banker, NAB, 1998-99
- Senior Manager, Rothschild Australia, 1999-2003
- Vice President, Deutsche Bank, 2008-09

Upon her election to the Senate in 2016, Senator Hume didn't have to wait any time for advancement, but was immediately given control of the important Senate Economics Legislation Committee, which analyses all legislation related to banking. As the Liberal Party controls the committee, Senator Hume effectively dictates all of its key decisions.

Hume ran the 2017-18 inquiry into the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Bill, which rubber-stamped the government's plans to empower the Australian Prudential Regulation Authority (APRA) to prop up failing banks by seizing the savings of their creditors and customers. The Senator falsely claimed it isn't a bail-in law (contradicted by legal advice available from the CEC), and she was one of only eight Senators present when it was snuck through Parliament on 14 February 2018.

Now Senator Hume is in charge of the inquiry into the Separation of Banks bill, which Bob Katter MP and Andrew Wilkie MP first introduced into the House of Representatives on 25 June 2018, and Senator Pauline Hanson introduced into the Senate on 12 February 2019.

This is a very important inquiry following the banking royal commission. In his final report from that inquiry, Commissioner Kenneth Hayne did not recommend structural separation of the banks. In truth, this was because the government and banks rigged his terms of reference, which forbade him from investigating structure. Nevertheless, almost all of the misconduct and crimes exposed by the royal commission resulted from the integrated structure of the banks, so while the inquiry was under way, three of Australia's big four banks announced plans to voluntarily break up. But that was a ruse. In their final submissions to Commissioner Hayne, all of the major banks insisted they should not be forcibly broken up. And when it was leaked that Hayne's final report did not recommend separation, bank shares soared, and the two-faced bankers who had announced they would demerge started finding excuses not to—as every bank critic had predicted they would.

This rigging of the royal commission triggered a massive backlash, however. Most of the anger has

been levelled at Hayne's failure to break up the banks, including by former prime minister Paul Keating, leading financial commentators Alan Kohler and Michael Pascoe, former ANZ director John Dahlsen, and many others. Amid that uproar, Pauline Hanson introduced the Separation of Banks bill into the Senate and got it referred to the Economics Legislation Committee for an inquiry.

This inquiry should be the investigation of banking separation that the royal commission wasn't allowed to be. It should take as long as necessary. It should publish all of the submissions, which demonstrate both public support for the policy and the level of expert support. Most importantly, it should hold public hearings, so the Senators can question all of the experts in depth and thus get a full understanding of the issue, and not just the bankers' and Treasury's biased view.

On behalf of the banks and their protectors in the government, however, Senator Hume's task is to kill this inquiry, and that is what she is doing. As well as suppressing the publication of submissions and refusing to hold hearings, she appears to be sticking to the original scheduled reporting date for the inquiry, of 13 May. Yet that means the inquiry will have to be conducted in the middle of the impending election, which is an impossibility. It will be a farcical inquiry that just goes through the motions, which benefits nobody—except the banks.

The CEC demands:

- that Senator Hume recuse herself or be replaced as chair of the committee;
- that the committee publish all of the submissions it receives;
- that the scheduled reporting date be extended until well after the upcoming election; and
- that the committee hold proper, in-depth hearings to listen to the views of experts who can explain the benefits of separation, including former competition regulator Professor Alan Fels, former ANZ director John Dahlsen, former APRA Principal Researcher Dr Wilson Sy, banking expert Martin North, the CEC, and others.

### **What you can do**

1. Make sure you make your submission to the inquiry by the deadline of this Friday, to maximise the public support for this bill. If you haven't made your submission yet, include the demand that the committee hold public hearings.
2. Call or email committee chair Senator Jane Hume and deputy chair Senator Chris Ketter to demand they publish all submissions; extend the reporting date until after the election; and hold public hearings. They are in Canberra this week, so call their Parliamentary offices:

**Sen. Jane Hume**

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