

## Scott Morrison says banking industry needs a culture shift, not an inquiry

Treasurer says Coalition has strengthened Australian Securities and Investments Commission and Labor's call for royal commission is 'cynical politics'

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Thursday 25 August 2016 12.21 AEST Last modified on Thursday 25 August 2016 12.22 AEST



📷 The treasurer, Scott Morrison: 'A professional banker should serve their clients like a doctor cares for their patients.' Photograph: Richard Wainwright/AAP

**Scott Morrison** has said a culture shift in banking is required and suggests bankers should serve their clients the way good doctors care for their patients.

As the government comes [under sustained pressure for an inquiry](#) into bank scandals involving allegations over [financial planners, rate rigging and life insurance](#), the treasurer said the Coalition had already acted to address problems.

The government had strengthened the powers and resources of the Australian Securities and Investments Commission (Asic) to deal with

“direct failures and malfeasance” within the banking system – as recommended by David Murray’s financial systems inquiry.

“I agree with those in the banking sector who have said they believe the key to making this cultural shift is to restore banking as a profession,” Morrison said.

“A professional banker should serve their clients like a doctor cares for their patients. Now the medical profession is not perfect either. But I agree that such an approach is a good place to start.”

He said calls for a royal commission from Labor (as well as Nationals senator John Williams, LNP MP George Christensen, the Greens, the Nick Xenophon Team and Pauline Hanson’s One Nation) had been raised with then assistant treasurer, Kelly O’Dwyer, at a meeting of the International Monetary Fund.

“The then assistant treasurer, Kelly O’Dwyer, was in Washington for IMF meetings, where she was approached and asked what is wrong with Australia’s banking system,” Morrison said.

“Labor’s careless approach and cynical politics on this issue is a genuine risk to broader confidence in our banking and financial system which can only weaken the system.”

Rather than engage in “cynical politics” the government was working to strengthen the banking system for borrowers, depositors and shareholders in a practical way.

He named recommendations from the financial systems inquiry which saw banks [raise their capital ratios](#), the implementation of [unfair contract laws](#) in November and moves to strengthen the crisis management powers of the Australian Prudential Regulation Authority (Apra) as examples of government reforms.

The pressure continues to build for a royal commission into the banks. The senior parliamentary adviser, the clerk of the Senate, Rosemary Laing, advised Greens senator Peter Whish-Wilson [that a commission of inquiry was possible if the government refused to establish a royal commission](#).

Labor is cautious about any form of inquiry apart from a royal commission, because of the powers and funding afforded to a royal commission. As

Laing's advice stated, a parliamentary commission of inquiry would depend on the [Coalition](#) to fund it. Its powers could be contested in a court.

The constitutional lawyer George Williams said a commission of inquiry was unlikely to pass the parliament without government support.

"It's very hard to see it would pass both houses, or be funded by the government," Williams said.

"These issues as set out in the clerk's advice make it clear why this is unlikely to be viable. Any such inquiry needs government support."

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The Labor leader, [Bill Shorten](#), said although he understood the Greens were trying to get a compromise from Turnbull, Labor would persist with its calls for a royal commission because under pressure the prime minister would "give in".

"What Australians want is not a system that goes after banks once they have ripped people off," he said. "What Australians want is to stop the rip-off in the first place.

"Labor will persist with its calls for a banking royal commission and we think that is the right way to go. We are not going to give up merely because Mr Turnbull doesn't want to do it.

"My experience of Malcolm Turnbull is that if you put enough pressure, this guy gives in."