It was a simple question ....

Summary:
BRN CEO Nabs Ken Henry with a simple question on ABC's Q&A Ethics, Accountability and Leadership episode - 26.10.20. He didn't quite get it. Here you can see the video excerpt of Ken's attempt plus an in-depth translation of what Ken was grappling with. Kudos to the Q&A team for highlighting a very important topic.

This is gold. Trust, ethics, democracy, hypocrisy, Kakistocracy .... it's all here - along with just a touch of BRN sarcasm. We couldn't resist .... Enjoy.

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Answer The Question Ken

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Ken Henry - Star & victim of the Banking Royal Commission makes a long awaited comeback to public jousting on Q&A 26.10.20.

A Little History

Ken worked for John Howard and Kevin Rudd in the years 2001 to 2011 as Secretary of the Department of Treasury. Prior to that he was an adviser to Paul Keating. He is what we call an insider. He's a board member of the Australian Securities Exchange. He was removed as chairman of NAB soon after the Hayne Banking Royal Commission's final report. His most well known works include a White Paper on "Australia in the Asian Century (2012)," "Australia's Future Tax System Review (2010)" and of course - **the letter he arranged to be sent to then Treasurer Scott Morrison on the 30th of November 2017 calling on the Turnbull government to hold a Royal Commission into the banking system.**

His plan was based on a well known previous strategy to manipulate an outcome - **"Go early, go hard, go banks."** Henry knew that there was going to be an inquiry into the banks brought about by some rebel coalition politicians. He convinced the then CEOs and Chairs of all the major banks to get in early and lock in a Royal Commission that would be underfunded, no longer than twelve months and with narrow terms written by the banks. To top it off Goldman Sachs banker (once a banker always a banker) Turnbull assigned another insider - ex-High Court Judge Kenneth Hayne - to head the Royal Commission. **What could go wrong?**

Well what went "wrong" first for Henry and another four of the eight signatories that ordered the bankers' Royal Commission is that **they all ended up leaving their positions in disgrace:** Ian Narev (CEO CBA), Brian Hartzer & Lindsay Maxsted (CEO & Chairman respectively Westpac) and Andrew Thorburn (CEO NAB).

Of course **when insiders are involved in profitable ventures such as facilitating child exploitation or money laundering or insider trading or market manipulation or drug trafficking or predatory asset stripping - they traditionally received bonuses and promotions.** Unfortunately this becomes difficult when whistleblowers, investigative journalists or activists expose the rogue behaviour. When that occurs the wrongdoers may suffer shocking disappointment and embarrassment .... getting caught out can be very difficult to cope with. Rather than jail or massive fines which are usually reserved for freelance criminals these **State sanctioned criminals usually get a gold watch, some cash and maybe a share bonus.** Once they lay low for a reasonable time they might even get a new corporate gig but that is getting more difficult now-

a-days.

Q&A Welcomes Ken Henry

Ken and I were both invited to join in on Q&A's look at ethics, accountability and leadership. This was a golden opportunity. Some "leaders" like the idea of teaching ethics to their staffers. That should do the trick ..... right Ken? BRN has been saying for many years that bankers need a little bit more incentive to look after the interests of their clients. I just wanted Ken to think about how quickly corporate behaviour would change if bankers saw their wrongdoing colleagues lose the proceeds of crime and serve a bit of jail time where appropriate. Of course the victims of misconduct must be fully remediated too.

Just a minor correction - we don't have one longstanding case with NAB. BRN still has some of the most difficult legacy cases on the desks of **all four big bank CEOs** - (see the video excerpt below). Bank lawyers continue to play games. **We just can't wait till those lawyers hear from Ken. He'll tell them all about ethics and accountability. That'll fix'em..!!**

Hamish Macdonald and Dave Sharma set the scene

During this Q&A program there was some discussion about how when pollies are away from the question time cameras it's one big happy family. Informed outsiders do realise that the two party dictatorship is really a charade. The major parties in most countries represent elite interests. **The name of the game is to keep people divided and arguing over minor issues and differences while their freedoms, resources and lives are stolen.** Fortunately the COVID crisis has brought an opportunity to end the Age Of Exploitation .... as long as people don't let the elite impose their solution - "The Great Reset."

Ken insisted that Hamish allow him to wax lyrical about "democracy" and how if people couldn't trust their democracy it just couldn't work. Capitalism depended on democracy to keep the corporations honest. Can't argue with national treasure Ken. He knows all about how capitalism is supposed to function. Of course if governments and businesses lie, cheat and rip you off there will be trouble. Ken forgets though - we don't live and work in a capitalist system. We are trying to get by in a very sophisticated feudal system. What's the best term - crony capitalism or maybe Kakistocracy? The point being that **a corrupt system of government and business gradually corrodes our democracy and destroys our freedoms and rights.**

What many people are enduring right now is actually not supposed to be giving them a fair go. **People are treated as registered assets - more like livestock to be managed by the political class on behalf of the ruling class.** It's just a matter of time before the word "freedom" is removed from the dictionary. Fundamental rights have been deliberately white-anted for decades (see link below).

Ken talked about the great discussions that came up during the Banking and Finance Royal Commission. He seemed very knowledgeable about the need for a democracy that functions in the people's interests to stop profit driven corporations using force, fraud and coercion to fleece their customers and their country. Hamish looked pretty pleased because Ken set the scene so well for my question. **All I wanted Ken to do was let us know if seeing crooks in the system being jailed would encourage others to behave ethically. In other words - would appropriate penalties deter misconduct?**

Ken seemed to have difficulty working through the logic. Regardless, Ken's response was very illuminating ..... and prolonged.

Interestingly he suggested that the jailing of wrongdoers would "terrify a lot of people." [Was he looking for the EXIT door .... or just squirming a little? Very interesting body language].

He wasn't really sure whether people would be more confident in a system that held wrongdoers accountable.

He thought that the banking system was being strongly scrutinised - by the Royal Commission that he had organised and the media ("all of which was entirely justified" - how come it was so justified? Perhaps because he fully realises just how much dodgy and criminal activity goes on in the dark corners of the industry). Ken - How does the government giving ASIC and the Judiciary millions of dollars help make the system work in the people's interest? Those structures are designed to protect the system - not victims of misconduct. **Ken knows very well that system protectors are extremely well paid.**

Ken forgets how capitalism can work

People that produce and provide desired goods and services get rewarded for their skills, efforts and entrepreneurship. In a fair system money is just a tool to facilitate the exchange of goods and services. **In an exploitative system debt, taxes and the control of money all serve as tools of control and theft.** Ken should realise that the profits from credit creation are a national resource and should never have been allowed to be stolen by banking interests. Ken also forgot to mention that **if the country and people were not being fleeced by the corrupt political and financial system most people could enjoy a life where they only needed to work in paid employment for around half the time currently required.**

Ken stated that the Royal Commission into Banking was the most expensive ever held. He must have forgotten about the Royal Commission into Institutional Responses to Child Sex Abuse that ran for nearly five years and cost half a billion dollars. Seven times the cost of the limited Banking Royal Commission.

It is worth noting here that while both the banking and the child abuse Royal Commissions exposed some misconduct and claimed a few scalps - including Ken's - the most serious crimes remained hidden. Also the banks and churches managed to arrange ways of limiting reparations. This occurred because **the system of feudalism we live under serves elite interests which include upper level religious and financial powers.** A few questions will illustrate the point:
Why are churches able to operate tax free?
How was it possible that churches could for decades - more like centuries - cover up the systematic abuse of children?
Why have Federal and State governments used 90 and 80 year suppression orders to hide information from multiple inquiries regarding political and judicial office holders abusing children?
Is it really true that a private grouping of powerful and wealthy individuals and families own more than 40% of the assets of the 40,000 companies making up the world's capital markets?
Do the world's governments facilitate these wealthy groupings to hide and control their often ill-gotten assets via complex Trust and Company arrangements often involving various tax havens?

Back to Ken - the clincher - when he realised that after all that scrutiny of the banks it all led to "nobody going to jail" - man you could see that mind spinning. *What could it mean?* - He would have loved to say that there was "nothing to see here folks - move right along" - "crime? .. what crime?" - but he eventually realised how foolish he would have sounded - all those criminals - the orchard full of bad apples that he knew about .... and nobody going to jail. *Hmmm ...* the penny dropped - perhaps for everyone. The system is rigged. The deck is stacked. The outsiders are forced to play with loaded dice. Perhaps a new game with new rules is what is called for. Ken didn't mention it ... but he did confirm bankers do break the law and many behave unethically. Thanks Ken ..... we know..!!

Ken found his footing. Back onto the ethics story and his journey of self-discovery. Since the Banking Royal Commission he's a new man. Now being open and honest is the best policy. He carefully advises that we shouldn't assume it's "just a few rotten apples." I'm so glad Ken sees it that way .... now. So many of his previous colleagues just couldn't accept that there was systemic skulduggery despite multiple cases showing a pattern of behaviour in the asset stripping game that all the banks have been playing .... for decades.

Simon Longstaff (from The Ethics Centre) came to Ken's rescue. He pointed out the two big underminers of ethics - 1. Hypocrisy and 2. Going along with what everyone else does in the

organisation. Of course the flow on issue is that everyone sees how everyone else is making more money than them because no-one is held accountable for dodgy dealing ..... and poor ethics.

And finally Ken admitted that the bank stuffed up a lot of things and they needed to fix them. How different things could have been for Ken if he went into the Royal Commission with that attitude.

Ken is very well respected at the big end of town. Let's hope his friends and colleagues understand the significance of what he managed to say on Q&A. There are still some abused bank customers waiting for justice ... and they well know that covering up a crime is a crime .... and not very ethical - right Ken?

Ken Henry Nabbed On Q&A - Video Excerpt

Responsible Lending Laws Under Attack

Responsible lending laws were introduced by the Labor government shortly after the Global Financial Crisis in the form of the National Consumer Credit Protection Act (legislated 2009).

These laws aimed to prevent lenders from selling unaffordable loans and trapping people with debt they will never be able to pay off.

The Morrison government is encouraging IRRESPONSIBLE LENDING by axing these protections. Encouraging bankers to behave unethically while increasing unaffordable debt is a stupid way to "rescue" the economy.

Apart from maintaining responsible lending laws we think that every interaction a client has with a financial institution must be demonstrably in the "best interests" of the client. People's financial lives are too important to be treated in any other way.

If a bank can't make mega-profits without taking advantage of customers .... so be it - or in other words .... tough luck..!!

If you don't think chewing up and spitting out borrowers wanting to buy a home or run a small business is fair, help us to save the Responsible Lending Laws.

The government and opposition must be made to realise that if people lose faith in banks - and find it just too risky to deal with them - that is when the economy will be in big trouble.

Contact your State's Senators - especially the ALP and Crossbench. Find them here by putting your Postcode into the search box >> www.aph.gov.au/Senators_and_Members/Senators

Also contact Anthony Albanese to make sure the ALP doesn't support the LNP axing these important laws >> A.Albanese.MP@aph.gov.au

Related Links: Australia's Bill of Rights and Responsibilities

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