Regulators must face their own Royal Commission

Summary:
Adele Ferguson is one of the champions of the bank warriors. Without her gutsy investigative journalism it is quite likely that there would not have been a Royal Commission into banking. Bank Warriors support her call for a new Royal Commission into APRA and ASIC.

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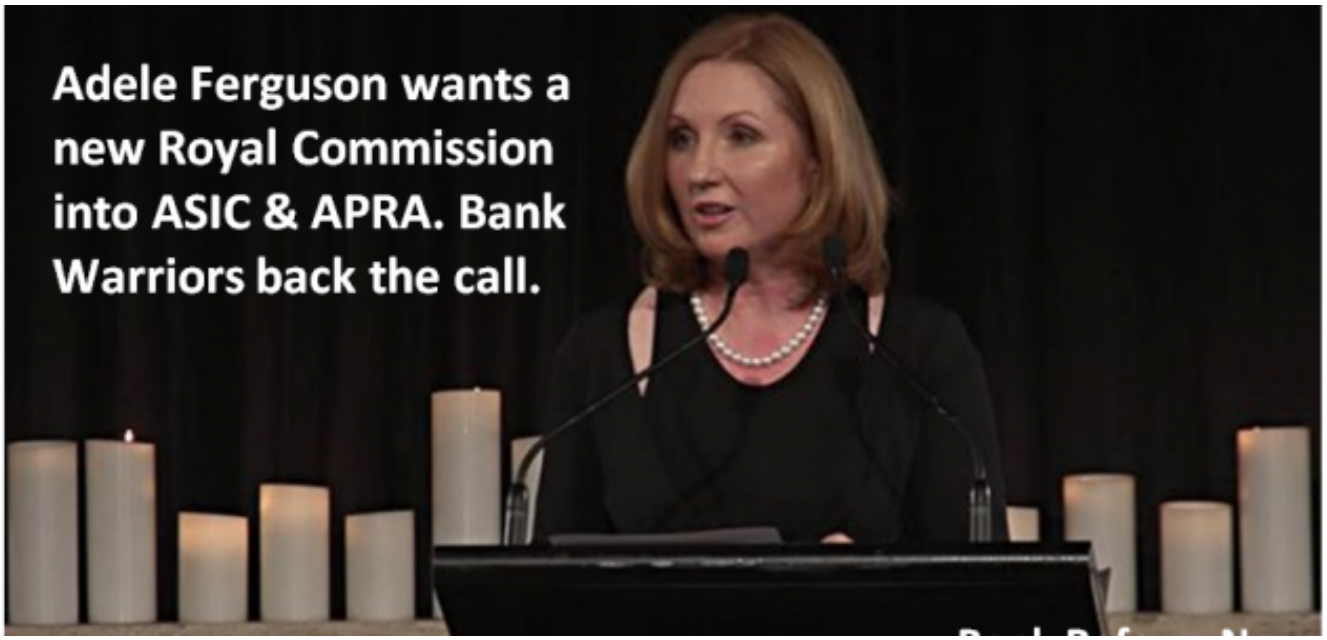

Adele Ferguson Supports a Royal Commission into ASIC and APRA

On 10 April, Adele Ferguson presented the 2019 A.N. Smith Lecture in Journalism: **Journalism Versus the Big Banks: Reporting where Regulators Fear to Tread.**

The Royal Commission into the banking industry has demonstrated that regulators have failed us, while the role of protecting the public from corporate greed has often been performed best by journalism.

Royal Commissioner Hayne in essence described APRA as a “Do Nothing Regulator” and ASIC as a

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“Do Very Little Regulator”.

This would have surprised no one who has been following the reporting of Adele Ferguson in recent years.

In her AN Smith lecture, investigative reporter Adele Ferguson - who many credit as the initiator of the Royal Commission - asks why it is that journalism stepped up while regulation failed? And what can be done to strengthen journalism to ensure it keeps on performing this vital role?

Adele Ferguson AM has won eight Walkley Awards (including the Gold Walkley) as well as two Gold Quill awards. Adele related a litany of failures by both regulators where there is a “revolving door” of staff moving from the regulated to the regulators and back again.

Whistleblowers have been ignored until given media exposure, investigations when undertaken were done so in a half-hearted manner, token fines were imposed and ASIC was even in the practice of asking major financial institutions engaged in misconduct to review media releases drafted by ASIC!

ASIC originally down played what has become the “Fees for no service” scandal as merely a “break down in internal procedures”, when Royal Commission Hayne identified multiple contraventions of the law and heard from senior executives who had no comprehension of the law.

APRA has taken no enforcement action for a decade and was finally shamed into taking action against directors and senior executives of IOOF, despite misconduct at IOOF being reported by Adele back in 2015 when a whistleblower came forward.

Member of the Bank Warriors lobby group have experienced at first hand the consequences of have a financial system where both regulators have been ‘captured’ by the industry they have been tasked by the Parliament to regulate.

In responding to a question from the audience, Adele confirmed that she would support a Royal Commission into ASIC and APRA.

The so called “Twin Peaks” regulatory model that was adopted in Australia in 1998 after the Wallis Inquiry has been a dismal failure with one regulator blaming the other for the scandals that have only been partly exposed by the Hayne Royal Commission.

The billions of dollars that have been lost to Australian consumers of financial products and the emotional toll that then follows from regulatory failure can no longer be swept under the political carpet.

Professor Allan Fels who also attended the lecture has said ASIC should be stripped of its supervisory powers over the bank and those powers handed to the ACCC — a move that would send a chill through banking boardrooms, which he said have become too cosy with ASIC.

"ASIC is not feared, unlike the ACCC," Professor Fels a former Chairman of the ACCC has said.

Bank Warriors will now be supporting Adele to have the misconduct of Australia’s financial regulators thoroughly investigated by a Royal Commission.

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