Weak response to bank crimes seals Turnbull's fate

Summary:
Turnbull's government could lose a vote in the House of Reps regarding a Royal Commission or Commission of Inquiry into the banks. If he loses the vote he loses the top job and the LNP could be defeated in an election. Turnbull stayed loyal to the banks above his countrymen for just a little bit too long. The lame duck is now a dead duck.

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Banking royal commission threat grows as government clashes with banks

Pressure is mounting on the government to hold a banking royal commission with senior banking figures conceding a royal commission may now be the least worst option and the Greens one vote away from securing support for a commission of inquiry.

At the same time, **relations between the government and the banking sector plummeted on Friday when former Queensland Labor premier Anna Bligh was announced as the new chief executive of the Australian Bankers' Association.**

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Banking sources said it was a good move because Labor was leading the attack on banks and now it would have to take on one of its own icons.

But the Turnbull government had its nose out of joint. **A senior government figure regarded it as an insult and dangerous because the Coalition has been standing alone in defending the banks amid a clamour for a royal commission.**

"It's a very interesting call when you're fighting against a royal commission to appoint a Labor stalwart," said the source.

"If they're negotiating difficult sorts of things with a political overlay in a febrile political environment, you'd want someone that the government is close to, not someone who is close to Labor."

Some senior banking figures are starting the believe a royal commission would be a more palatable option than endless new regulation and multiple parliamentary inquiries, which banks are now exposed to as the government staves off demands for a royal commission.

One senior industry figure, speaking on condition of anonymity, said the starting position was to have no inquiry but the next best option was a royal commission called by the Turnbull government. At least the government could control the timing, the terms of reference, the cost and who the commissioner would be.

The Greens are seeking to give Mr Turnbull no choice.

Should the House of Representatives pass legislation to establish the commission of inquiry, which has similar powers to a royal commission, it would double as a vote of no confidence in the government and trigger an election.

Following a week of backroom negotiations in Parliament House, the Greens believe that by creating the likelihood of the bill passing the lower house, **the government will have no choice but to establish a royal commission rather than risk collapse.**

In the past fortnight, they have held talks with Labor, independents and minor parties in both houses and **Coalition MP George Christensen, who has said he would cross the floor to vote for a bill to establish an inquiry or royal commission.**

A commission of inquiry is like a royal commission except it is established by the Parliament, not the government. There has only been one other, looking into allegations against Lionel Murphy in the 1980s.

The Greens plan to introduce the bill in the Senate, where there are adequate numbers to secure its passage.

The legislation then needs to pass the lower house. The Greens have secured Mr Christensen's vote **but need one more Coalition MP to cross the floor. They are currently talking to disaffected MPs to secure their support.**

The last time the government lost a vote on legislation in the House of Representatives was in 1929. This doubled as a no confidence vote and forced prime minister Stanley Bruce to call an election, which he lost.

The Greens believe that if they secure the final Coalition MP, the threat of a no-confidence vote will force Mr Turnbull to act.

The Greens' inquiry would examine executive pay, "vertically integrated" business models and penalties for misconduct.

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"So many people around the country have been done over by the banks and it's time they had justice. If the Government doesn't act, then the Parliament should. It's a sign of how out of touch the Government is that it takes the threat of losing a vote on the floor of the House to get action," said Greens leader Richard Di Natale.

"Across the country, I've heard heart-wrenching stories about people losing their homes and life savings – especially farmers in rural areas who have been treated appallingly by the banks.

"The fact that the Government doesn't understand why we need a major inquiry like this, shows just how out of touch they are."

Labor has offered its conditional support so far, so long as the Greens iron out some procedural and technical obstacles. Labor's preferred position is for a royal commission.
Meanwhile, ASIC chairman Greg Medcraft criticised insurers in a strongly-worded speech on Friday accusing them of designing "complex and extremely poor value products" that put "their reputations at risk."

He said the result of the regulator's recent review of insurance products sold by car dealers was "to put it bluntly, shocking" and ASIC planned to use its full range of powers to seek better results for consumers this year.

BRN Comments: Turnbull has been outflanked. With pressure from multiple directions - Greens, Katter, One Nation it is hard to see a happy ending for Turnbull. He's done his dash. The banks helped make him a very wealthy man and now thanks to the banks he could very well lose what he most craved ... the Prime Ministership. He wanted it so bad he didn't even mind selling out and becoming a lame duck. Karma can be a wonderful thing.

Take careful note of the comment from the anonymous banker. Any inquiry is at risk of having limited terms and a bank friendly head. See the BRN Draft Terms below to see exactly what the bankers fear.

Websites For More Information: Source: Banking royal commission threat grows as government clashes with banks
http://www.afr.com/news/politics/banking-royal-commission-threat-grows-as-government-clashes-with-banks-20170217-gufkmh

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