



**THE HON SCOTT MORRISON MP**  
Prime Minister

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Treasurer

## **JOINT MEDIA RELEASE**

4 February 2019

### **RESTORING TRUST IN AUSTRALIA'S FINANCIAL SYSTEM**

Today, the Government releases its response to the landmark Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

The Government has agreed to take action on all 76 recommendations contained in the Royal Commission's Final Report and, in a number of important areas, is going further.

Commissioner Hayne's recommendations and the Government's response advance the interests of consumers in four key ways:

- Strengthen and expand protections for consumers, small business, rural and remote communities.
- Raise accountability and governance standards.
- Enhance the effectiveness of regulators.
- Provide for remediation for those harmed by misconduct.

In outlining its response to the Royal Commission, the Government's principal focus is on restoring trust in our financial system and delivering better consumer outcomes, while maintaining the flow of credit and continuing to promote competition.

Today, the Government is announcing it is taking further action by:

- Establishing for the first time a compensation scheme of last resort and expanding the remit of the Australian Financial Complaints Authority (AFCA) so that they can award compensation for successful claims going back 10 years, consistent with the period examined by the Royal Commission.
- Compensating those individuals who had a prior unpaid determination in their favour by the predecessor bodies of AFCA, which will see almost 300 consumers finally receive compensation totalling around \$30 million as a consequence of prior misconduct.
- Extending the jurisdiction of the Federal Court to cover corporate criminal misconduct, which will expedite cases that are considered by state courts and commonly take over two years to be heard.
- Commencing a capability review of the Australian Prudential Regulatory Authority (APRA) to be led by Graeme Samuel AC and conducting further capability reviews every four years.

The Government is confident that the actions announced today will put in place the necessary legislative framework, providing regulators with the power and resources to hold those who abuse our trust to account.

The Coalition Government through both its actions to date and its response today is demonstrating its commitment to ensuring a financial system that is working for all Australians and is one they can trust.

The Government would like to thank Commissioner Hayne for the outstanding manner in which he has conducted the Royal Commission and express its gratitude for the tireless work of those involved. We also wish to acknowledge all of those individuals who provided submissions and came forward to give evidence.

**Ends**

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