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Treasurer

MEDIA RELEASE

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LABOR PUTS POLITICS AHEAD OF POLICY IN RESPONDING TO BANKING ROYAL COMMISSION

The Government received Commissioner Hayne's Final Report on Friday, we responded to it in full on Monday and now we are getting on with the job of restoring trust in Australia's financial system.

We have agreed to take action on all 76 recommendations in the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. In claiming that the Government has not accepted a number of recommendations, either Labor can't count or they are choosing to deliberately mislead the Australian public.

The Government's response could not be clearer: we are taking action on every recommendation, while also making clear that we are choosing to proceed cautiously with respect to upfront fees for mortgage brokers.

In addition to taking action on all 76 recommendations in the Final Report, the Government has agreed to go further in areas, including by:

- paying around \$30 million in compensation owed to almost 300 consumers and small businesses for the unpaid determinations of the Financial Ombudsman Service and the Credit and Investments Ombudsman;
- expanding the remit of the Australian Financial Complaints Authority for a period of twelve months to accept applications for disputes dating back to 1 January 2008;
- expanding the jurisdiction of the Federal Court to cover corporate criminal misconduct to expedite the consideration of cases brought by regulators; and
- establishing an independent inquiry to review and assess in three years whether industry practices have changed following the Royal Commission and have led to better consumers outcomes.

Additional funding of \$170 million has also been provided to ASIC, APRA, the Commonwealth Director of Public Prosecutions and the Federal Court to ensure our regulators are appropriately resourced to hold those who engage in misconduct to account.

In contrast, all Labor does is treat the Australian people with contempt by offering more political stunts.

In their most recent stunt relating to the Royal Commission, before they had even read the report, Labor said that they would agree to all recommendations. Now, it seems they only "agree in principle" with the recommendations in the Final Report. The question for Labor is: what has changed? Which recommendations do you no longer agree with?

The Labor Party had six years in government to call a Royal Commission, including under then Minister for Financial Services and Superannuation Bill Shorten – and yet, they didn't, despite the financial scandals of Trio Capital, Storm Financial and Opes Prime.

Instead, Bill Shorten said, "Australia has some of the best banks in the world. It is partly because of our excellent regulatory system and prudent management." (*The Australian*, 9/2/2012)

It is the Liberal National Government that called the Royal Commission and provided it with \$75 million to undertake its work and we are the ones taking action to see it implemented.

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