

Government to provide more funds for prosecuting bank crime

Written by Michelle Grattan, Professorial Fellow, University of Canberra

The government has announced an extra \$51.5 million to boost resources for the prosecution of criminal misconduct by banks and other financial institutions and the processing of civil claims.

Of this, \$41.6 million will go to the Commonwealth Director of Public Prosecutions (CDPP) over eight years, and \$9.9 million to the Federal Court over four years.

Announcing the funding, Treasurer Josh Frydenberg and Attorney-General Christian Porter said ASIC's increased enforcement activity was expected to lead to "more prosecutions by the CDPP and more civil corporate misconduct cases before the Federal Court."

This included cases highlighted by the banking royal commission, which produces its final report early next year.

The ministers said the extra money would allow the CDPP to hire more prosecutors to manage the increased workload and deal with cases faster "to ensure individuals and companies that have broken the law face justice sooner".

The funds for the court will see the appointment of two new judges to deal with civil cases. "These appointments will enable the Federal Court to accommodate an increase in disputes with financial institutions as well as civil claims resulting from ASIC's increased enforcement activity."

The Attorney-General's Department will examine whether the Federal Court's criminal jurisdiction should be expanded to include corporate crime. It will report back to the government on this in January.

At present criminal prosecutions for misconduct by banks and other financial institutions are heard in state courts, so they have to compete with state cases for hearings.

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“The creation of this additional criminal jurisdiction in the Federal Court would allow these prosecutions to be prioritised and penalties for breaches of the law to be handed out faster,” the ministers said.

Frydenberg and Porter reaffirmed the government’s “commitment to ensuring that these agencies and our broader justice system are appropriately resourced to effectively hold banks and other financial institutions to account for misconduct”.

A Labor-chaired Senate committee, [reporting](#) on Thursday recommended the banking royal commission be given extra time.

It said the commission had only heard from 27 victims – despite receiving more than 10,000 submissions – and had not held hearings in South Australia, Western Australia and Tasmania.

More time should be provided “to examine particular aspects of misconduct in greater detail,” the report said.

But this was not supported by government senators.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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