Australian Citizens Party
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MEDIA RELEASE

Tuesday, 18 June, 2019

Is it a terrorist offence to warn Australians about the financial system? It could be!

Just as Australian journalists can be raided and possibly jailed for reporting on national security issues, there is a danger that organisations like the Citizens Electoral Council (CEC) risk terrorism charges simply for warning about risks in the financial system and the danger of "bail-in".

The 75 or so anti-terrorism laws that successive governments have rammed through Parliament since the 9/11 attack in 2001 are so far-reaching that Australia has become a police state. Stopping the media from reporting on state crimes is just one of powers that the government and our foreign-directed intelligence agencies have.

The laws are so broad, however, that the extent of the powers is often unclear until they are used. Politicians' reassurances that they won't be abused are worthless. For instance, in 2014, when the Coalition and Labor passed laws to jail journalists for reporting on intelligence operations, they reassured journalists that they had nothing to fear. "Labor would never support laws which prevent journalists who work reporting national security from being able to do their job", ALP frontbencher Kate Ellis promised on ABC's Q&A on 13 October 2014. We now know that is exactly what the laws do.

From the time the first raft of these laws were unveiled in 2002, the CEC has been concerned that they could also be used to criminalise warnings about the financial system. The key reason being that such laws are not intended to protect the public from terrorism, but to protect the financial elite, who rig the system in their favour, from the public, especially in times of financial crisis that trigger political upheaval.

Catch-all definition of 'terrorism'

All of Australia's terror laws are based on the same foundation, which is the offence of terrorism that was newly enshrined in the *Security Legislation Amendment (Terrorism) Act 2002*. As all acts of actual terrorism involve existing crimes, such as murder, kidnapping, arson, etc., the purpose of creating a new offence of "terrorism" was to establish a catch-all definition of terrorism that included a broad range of political activities.

University of New South Wales constitutional law professor George Williams warned about the implications of this law from the beginning. "The definition was so wide that it would have

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criminalised many forms of unlawful civil protest (unlawful perhaps only due to a trespass) in which people, property or electronic systems are harmed or damaged", he wrote in the *Alternative Law Journal* in 2002. "The section could have extended to protest by farmers, unionists, students, environmentalists and online protesters engaged in hacktivism."

The definition of terrorism extended beyond those scenarios to also include threats to the financial system. The Act includes the following clauses:

terrorist act means an action or threat of action where:

(a) the action falls within subsection (2) …
(2) Action falls within this subsection if it: …
(e) seriously interferes with, seriously disrupts, or destroys, an electronic system including, but not limited to: …
(iii) a financial system; …

100.2 Constitutional basis for offences

(1) This Part applies to a terrorist act constituted by an action, or threat of action, in relation to which the Parliament has power to legislate.
(2) Without limiting the generality of subsection (1), this Part applies to a terrorist act constituted by an action, or threat of action, if: …
(k) the action disrupts, or if carried out would disrupt:
(i) banking …; or
(ii) insurance …;

In response to furious protests that the CEC led against this and the Howard government's raft of other terror laws, including detention powers for ASIO and powers to ban organisations, the definition of terrorism was amended to add important qualifications, but it remains very broad. The CEC has long questioned whether warning about the financial system, and especially about policies such as "bail-in" that would confiscate bank customers' savings deposits in order to prop up failing banks, carries the risk of being accused of terrorism, for instance by undermining confidence in the banking system that risks a "run" on the banks, which, by definition, would "seriously disrupt" a

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financial system.

Already a serious concern, this potential became more so last year when the major parties rushed through the *National Security Legislation Amendment (Espionage and Foreign Interference) Act 2018*. This law criminalised the possession of information that "is likely to cause harm to Australia's interests"; crucially, it broadened the definition of national security to include "economic" interests.

Who defines our economic interests? Anyone involved in fighting to expose banking crimes and misconduct over the last few decades knows how complicit successive governments have been in the banks' abuses. And not just the elected governments, but also the banking regulator APRA, the securities regulator ASIC, and the Reserve Bank of Australia. These authorities have shamelessly prioritised what they call "financial system stability" above all other considerations in the banking system. They deliberately ignored the banks' outright crimes, their abuses of customers and staff, and their looting and gouging through excessive charges, on the basis that super-profitable banks ensured a stable financial system, as APRA even told bank victims to their faces.

Yet it has all been a lie. Far from ensuring a stable financial system, they allowed the banks to inflate a housing and debt bubble that now threatens the entire economy, with the RBA now frantically slashing rates to keep fuelling the bubble. They have legislated initial bail-in powers, and are working on stronger powers, in anticipation of a crash, and they rigged the royal commission's terms of reference to ensure Justice Hayne's final report would not upset their system. But what happens when the Australian people wise up and demand real change that threatens the power of the financial establishment? Will the establishment deem that a threat to Australia's economic interests, and therefore to national security?

Whatever the case, the CEC has not and will not shrink from its fight to expose the truth about the financial system, stop the criminal bail-in policy, and implement key banking reforms such as Glass-Steagall bank separation and a national bank to ensure the financial system serves the public and the real economy, not criminal banks.

Click here to sign the new petition to the Australian Parliament: Hands off our bank deposits—stop 'bail-in'!