

Last week, the fifth most senior minister in the Morrison Government, Agriculture Minister and Deputy National Party Leader, David Littleproud threatened the ANZ Bank with ["every lever at the federal government's disposal - including the availability of deposit guarantees"](#), in response to ANZ's [announcement](#) that it supported the transition to a net zero emissions economy by 2020, and that, consistent with that position, it would no longer bank any customers with "material thermal coal exposures".

For me, this evoked 18-year old memories of the occasion when, in response to media reports of a speech I'd given to a conference of accountants in which I'd been critical of the Howard Government for its pretence that the GST wasn't a federal tax, and therefore didn't need to be included in Budget estimates of total tax collections, then Treasurer Peter Costello telephoned the then CEO of ANZ, John McFarlane, threatening (as McFarlane subsequently relayed his words to me) "regulatory action which ANZ would not like" if I said that sort of thing again. Costello also had his then press secretary fax (it was 2002) a copy of a press report of my remarks, with the "offending passage" circled, to the then Chairman of ANZ, Charles Goode, and carrying the implication that Mr Goode should also take some "appropriate action".

I was, frankly, astonished, that the third most important Minister in the Government at that time, someone who by his own account was single-handedly returning the budget to surplus, promoting wide-ranging tax reform and reversing a long-term decline in Australia's birth rate, would have the time to ring up the CEO of one of Australia's four large banks to complain about something its chief economist had said on an arcane topic to an obscure conference, something which would not have attracted any publicity at all but for his intervention.

I was surprised that, if he did feel aggrieved at what I'd said, he didn't get one of his staffers to ring me up to admonish me – or even do it himself, given that he'd known me personally since the early 1980s, when we were both in the Young Liberals – as Paul Keating had often done during his time as Treasurer, to economists or journalists who had written or said something that, in his opinion, was out of line – although I would still have been astounded that he didn't have more important things to do with his time.

And I was appalled that any Australian Treasurer would be willing to use regulatory powers, granted to him to help ensure the stability of Australia's financial system and in pursuit of other economic and social goals, in order to (at the very least) silence someone who'd had the temerity to question the accounting treatment of an item in the federal budget papers.

To their very great credit, neither John McFarlane nor Charles Goode sought to take any "disciplinary actions" against me (as it seemed the then Treasurer was hoping that they would).

Mr Goode sought an assurance that there was nothing personal in what I'd said (which there wasn't), and reminded me that I should not create the impression that ANZ was aligned with any side of politics.

McFarlane indicated that it was important to ANZ that it “got on well” with the man who was (in his words) “likely to be the next Prime Minister”, and asked me to ring Costello up and “smooth things over”, and to avoid commenting on that particular topic again. So, in accordance with my boss's instructions, I rang the Treasurer's office, but he refused to take the call (so I was told).

And I scrupulously avoided commenting on matters of accounting policy again. As Peter Hartcher recounted in his book *To the Bitter End*, when, in 2003, the Howard Government again fiddled with the timing of the Reserve Bank's annual dividend payment in order to improve the ‘bottom line’ of the 2004-05 budget at the expense of the 2003-04 one, I declined an invitation from a journalist to comment on that, instead sending an email to John McFarlane recounting the request and observing that “as you will recall, this Government, *never, ever* engages in creative accounting”. To which McFarlane replied, “thank you for taking the greater good of ANZ and an easier life for me into account”.

Minister Littleproud's threat to ANZ's CEO Shayne Elliott (with whom, as it happens, I share initials, as well as this experience of being the object of a threat to abuse ministerial powers) is much more sinister than Peter Costello's was. Costello was trying to silence what could never have been more than a mild irritant.

Littleproud is seeking to prevent one of Australia's leading banks from making a conscious, ethically-based decision to bring its lending practices into line with the goal of reducing Australia's carbon emissions, by threatening to withdraw from its deposit customers the protection provided by Australia's deposit insurance scheme – presumably in the hope that those customers would take their deposits to another financial institution.

Perish the thought that a supposedly “free enterprise” government would find something wrong with the idea that a privately-owned financial institution would make its own decisions as to whom it would or wouldn't lend, or otherwise do business with. Well, the National Party have never really been a “free enterprise” party - but rather, as Kim Beazley Snr once said of them, one which seeks to “capitalize the gains and socialize the losses” of its supporters.

And it would seem that, in their view (and perhaps that of the Government as a whole, since no-one more senior than Littleproud has sought to ‘clarify’ what he meant), that under this “free enterprise” government, it is the Government which decides who gets loan funds, and the circumstances under which they do – not the banks. Go figure.