



The Woke Bank Asleep At The Wheel

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The phrase “Go Woke, Go Broke” doesn’t quite apply to Westpac. But it nearly does.

Allegations that it breached anti-money-laundering laws 23 million times probably won’t send Westpac broke. But the bank’s share price has been smashed and Prime Minister Scott Morrison has as good as called for the Westpac board to sack its chief executive.

If you’re a company like Westpac that parades its progressive social agenda credentials at every opportunity, you’d better make sure you’re not accused of turning a blind eye and facilitating the funding of some of the most evil crimes imaginable.

One day it’s going to dawn on chief executives that you can talk all you want about climate change and gender diversity and asylum seekers – as Westpac has spent the past 10 years doing – but that won’t save you if you when the government and the regulators start coming after you.

Attending to your customers and shareholders and not breaking the law is usually a better path to



long-term success.

The website Know Your Meme provides a handy definition of “Go Woke, Go Broke” – “an expression typically used to express the sentiment that companies who embrace political correctness or cave to demands of social justice activists will suffer financially as a result”.

The idea of being “woke” originated in the United States as a way of describing someone who was awake to the ills that left-wing activists and academics believe plague Western liberal democracies, in particular racism, sexism, and “classism”.

The most notorious manifestation of Australia’s woke corporate culture is what Luke Sayers, the chief executive of consulting firm PwC Australia, did in 2016.

After Donald Trump’s election as US President, Sayers wrote to PwC’s 7,000 Australian staff offering counselling and support to those who were worried or upset by the poll result.

PwC Australia has a “chief diversity and inclusion officer” and apparently the firm puts “diversity and inclusion” at “the centre” of its strategy. It’s a topic for debate as to just how “included” a PwC staff member who supported Trump would have felt on the receipt of Sayers’ message.

Admittedly Westpac hasn’t done anything as outrageous as that, but nonetheless over the years it has missed few opportunities to signal its virtues, especially on climate change.

Under former chief executive Gail Kelly, Westpac was a vocal supporter of Labor’s emissions trading scheme.

Current CEO Brian Hartzler received front-page publicity in 2017 when he announced Westpac would not provide finance to the Adani coal mine, and the Australasian Centre for Corporate Responsibility, a lobby group for centre-left causes, has ranked Westpac as having one of “the most progressive positions on climate change”.

In the wake of what’s happened to Westpac, the claim from the political left has been, “here’s the proof of the crisis of capitalism”. Nothing could be further from the truth.

The tale of Westpac demonstrates what happens when a company, and especially a bank, starts to forget it’s a capitalist enterprise and thinks of itself instead as a progressive political outfit, telling everyone else how to live their lives.

The pity of what’s happened to Westpac, as much as the temptation to schadenfreude, is that the bigger issues of what the government and regulators can reasonably expect of companies will be ignored.

The bank has something like 14 million customers. The worst of the 23 million breaches of the law Westpac is alleged to have committed relate to the supposed activities of 12 of those customers. A sense of the scale of the challenge Westpac and every other financial institution faces under anti-money-laundering laws has so far not been discussed.



Westpac is theoretically liable to a maximum penalty of up to \$400 trillion. Whether the risk of a potential financial penalty a few hundred times larger than the entire Australian economy is the best way to improve corporate behaviour is likewise something that won't get much talked about.

Within a few days there'll probably be calls for yet another inquiry/investigation/royal commission into what's happened.

And no doubt there's going to be a whole new series of laws/regulations/rules proposed so that politicians can declare to the public, "I have made sure that this terrible thing will never happen again." If only that were true.

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