

Probe Reserve Bank 'dirty deals' with Saddam Hussein, Greens urge

THE Greens are escalating calls for a full judicial inquiry with the powers of a Royal Commission to probe allegations of dirty deals at the Reserve Bank and its subsidiaries.

The Reserve Bank is facing allegations it used a front man to liaise with the brother-in-law of Iraqi dictator Saddam Hussein in a bid to sell plastic banknotes to the country at the height of the United Nations-imposed sanctions.

Deputy Greens leader Adam Bandt today called on the Abbott government to establish an inquiry that has the same powers to investigate the allegations as the probe into the Australian Wheat Board scandal.

"Most Australians would be shocked to know their central bank has been using their money to line up dirty deals with Saddam Hussein," Mr Bandt said.

"The stench surrounding the Reserve Bank and its subsidiaries is now so strong that only a full independent judicial inquiry will clear the air."

A joint Fairfax/ABC investigation into the Reserve Bank and its two polymer banknote firms, Note Printing Australia and Securency, has also alleged the Australian Securities and Investment Commission failed to investigate allegations of corruption, and reported claims by whistle-blower and former NPA executive Brian Hood that publicly challenge RBA governor Glenn Stevens' parliamentary testimony about the scandal.

"The claim that RBA officials misled Parliament is disturbing," Mr Bandt said.

"When Parliament resumes, the Greens will move to have RBA officials appear before a parliamentary committee to answer these serious allegations."

Mr Bandt said the failure of the corporate watchdog to investigate claims of sustained wrongdoing at the Reserve Bank was appalling.

"It seems ASIC, our corporate regulator, was asleep at the wheel."

"ASIC throws the book at a lone global warming activist who sends out a press release, yet turns a blind eye to repeated claims of sustained corporate corruption in the Reserve Bank."

The RBA in a statement today said the visit to Iraq was covered in media articles four years ago.

'The visit in 1998 was, in the opinion of the Bank, ill-advised. No banknotes were ultimately supplied to Iraq," the statement said.

"On the records available to the Bank, the project went into abeyance after concerns were raised by DFAT with the then CEO of NPA."