

Lib demands sharia banking is kept out

Michael Owen, SA political reporter, *The Australian*, 2 November 2010

LIBERAL senator Cory Bernardi is looking for partyroom support to maintain barriers on sharia-compliant financial products.

The aim is to stop any moves to expand Islamic banking in Australia.

Senator Bernardi last night sent a background brief to his Liberal Party colleagues and said he had "already received a great deal of positive feedback".

"Sharia or Islamic law is incompatible with Australia's Western values," the South Australian right-wing senator said.

"I want to ensure the Liberal Party is opposed to the government's proposal to introduce any form of sharia-law banking into Australia."

Senator Bernardi said Australian tax officials, supported by the Gillard government, were planning to ease barriers to sharia-compliant financial products to tap into the Islamic finance industry's \$1 trillion in assets.

"We will have to consider what the government finally brings forward into parliament and consider that on its merits," Senator Bernardi said yesterday.

"I want people to be as informed as they can be in the hope we resist any such moves."

In the note sent to his Liberal parliamentary members, Senator Bernardi points out a government review into ensuring there was a "level playing field" was supported in principle by Labor.

"I would contend that we already have a level playing field in this country and we shouldn't be adopting those laws to appease sharia in any form," Senator Bernardi said.

"This is an issue I am sure a great many Australians feel very strongly about."

Discussions are slated this month, organised by the national taxation board, in Sydney, Canberra and Melbourne about how to ensure Islamic finance transactions are treated the same as equivalent non-Islamic deals.

Assistant Treasurer Bill Shorten did not respond to questions from *The Australian* last night. But last month he said Islamic finance would provide Australia with access to offshore capital.

A small number of companies offer Islamic financing in Australia, such as the Muslim Community Co-operative Australia in Melbourne and Islamic Co-operative Finance Australia.

Asian Finance Bank, an arm of Qatar Islamic Bank, is advising the NSW government on Islamic financial services.