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1st May 2017

Select Committee on Lending to Primary Production Customers

Department of the Senate

P.O. Box 6100

Parliament House

Canberra ACT 2600

Committee Secretariat,

As mentioned previously, my submission to the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into impairment of customer loans was published, at my request, name withheld in September 2015.

I just wonder has anything been achieved out of those submissions.

I agonised over what to write, so I do hope that they have been taken into account as well with the Select Committee.

So at the risk of repeating myself.

I don't have a business background or a farming background for that matter, I came into the district as a blue collar worker and met and married a farmer.

I'm not a director in a company, I was and am still not involved in the business as such, I just became somewhat of a quasi-secretary in difficult times.

I do not consider myself an expert on all these matters that would have to be gathered from the experts.

This is my opinion only from my own experience in what I heard, saw and read and could be considered subjective.

My husband has been silenced by the banks but it appears I have not.

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I live on the family farm with my husband in the
i. The mainly and farm has been in his family since 1912.

A decade of drought and poor seasons led to high debt for to continue running the business of the farm, not considered unusual in this area, with the climate at that time.

Still my husband considered he retained a viable business.

The last finance advanced by the Bank was in 2012, on the proviso that the farm be listed for sale.

The local Elders real estate representative stated that no farm of this size, in this depressed market, in this marginal area, had received a sale in 5 years.

Nevertheless the farm was listed, with no response then or since.

The banks also sent representatives at that time who devalued the land acreage by half, not even in keeping with local prices, along with the machinery.

The seeded crop for 2013, was financed by another lender.

In 2013 negotiations with the bank was deteriorating.

The Bank Manager dealing with all this was based 130klms away.

We have been given information from the banks stating that he had meetings with on such and such a date and time. Which is completely untrue. recalls a random phone call when he was in the sheep yards, I also recall several terse calls on the landline. Communications could not be considered conciliatory.

Eventually the dealings were moved from relatively local, to Perth and then to Sydney.

There were only 2 face to face meetings with the bank with no positive outcomes. Indeed despite my husband's party asking for a reduction in the interest rate of the loans, instead the interest rates were increased from 8.65% to 13.65%. An offer was made to the bank from family and potential crop funds, it was largely ignored and it was interesting to note that the receiver managers were present at that last meeting in October 2013 despite not being put into receivership until the 19th of November 2013.

It was harvest time by then the Receivers tried to stop the harvest, and froze the CBH load net without prior warning.

The grain profits that were financed by another institute, were redeemed by the bank.

At this stage we had no legal representative.

The receiver managers appointed to manage the farm were also representing the bank?

The intervention of our first lawyer, allowed the harvest to continue, seemly in every-bodies best interest to do.

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Every effort was made to gain finance to pay back the bank, from alternative lenders, including a broker, to no avail. The business in receivership made borrowing impossible.

In February we attended `'s son`s wedding in , we flew into at 0200 in the morning and received a call from our lawyer to be in Court at 0800 that same day.

We had no prior warning.

Luckily legal counsel was able to attend on our behalf.

The bank wanted us to vacate in 28 days, the court gave us 48 days.

So in early April we were evicted from the farm and moved into a rental in town 1 of only 2 available.

The receiver managers were to maintain the property and prepare it for seeding.

Our life in 2014 was totally dominated by a daily barrage of legal phone calls, faxes, emails etc.

I could digress, but ultimately you want the facts not the feelings, but you can't have one without the other. So it's pretty safe to say it was the worst year of my life.

During this time I lobbied several politicians, one Senator John Williams was most proactive, The FOS didn't not want to intervene in a legal case, I lobbied the unhappy banker and also the media were involved.

 a local television station interviewed us on the property prior to our eviction and we were also featured on ABC Landline.

Offers to the bank continued, and in the end it was family that helped.

Now our eviction from the properties as I understood it to be, was so the receivers could manage the farm, prepare it for sale, prepare the land for a future crop, general maintenance, weed control, fire breaks, general maintenance of the property etc.

From our eviction in April 2014 to November 2014 the properties remained as we had left them, untouched.

It could be seen from the roadside.

There is also a contentious issue surrounding the livestock (sheep), who were transported away in dubious circumstances in August 2014, after calls made to the RSPCA. Can you believe that the receiver managers were unaware that there were sheep on the property? Phone calls concerning animal welfare were not acted on to my knowledge. Except to transport them away.

So, ultimately a deal was struck in November 2014 with the bank/receivers, the terms of the deal were such that my husband was silenced, but it appears I was not.

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We returned to our home the home block, and 4000 acres in January 2015.
We consider ourselves one of the lucky ones.

The remaining 6000 acres to the east still remain in the receiver/managers hands.

Because of this, s company is still being listed as in receivership. So basically has approached other banks for finance to expand or buy machinery and he is largely being ignored. They won't actually put in writing NO, we will not finance you, they take a much more benign approach. They just evade the issue. We just do not hear from them.

It's not that we want to be in debt, but farms need money to operate.

So the remaining land has not be put up for sale, there has been no weed control and fire breaks were forced upon them from the shire. We know because at first the Shire contacted us for responsibility. We also know all the neighbours that adjoin that land. It's a small community. These things do not go unnoticed.

It's just left untouched.

It is not being managed and yet the banks are paying the receivers to do so.

An offer from to lease this land was denied.

After our deal was struck we asked for the deeds and were also given documents pertaining to the costings of the legal battle.

Most of the monies redeemed from s crop money was not payed off the overdraft to the bank, instead the money was used to pay off the receiver/managers fees which were enormous.

One costing was \$30,000.00 to advertise the property.

An ad in the Elders weekly might be \$500 at best.

We have contacted the receiver/managers through our lawyer and they say the property is not for sale?

Then why was it taken and why isn't it being managed?

We were evicted, supposedly so the banks could sell the property and redeem the sales to pay back the debt.

It does not make sense.

There is something very wrong in all of this.

I believe our story addresses the terms of reference.

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a. There didn't appear to be any constructive default processes. There was next to no mediation.

believes he could have traded his way out of debt.

I don't believe the bank complied with the code of banking practise which states:

"It should act fairly and reasonably towards the customer in a consistent and ethical manner"

They increased the interest rates.

There were no financial hardship re-payment plans suggested or applied.

I believe they select certain people to put into default because the banks get a tax deduction or such like from the government.

With research I have discovered this is a usual practise when one bank takes over another.

Even if it is a viable business.

b. Insolvency practitioners, well the impact of their services are ongoing. They are being paid largely for doing nothing. There fees are enormous and there getting away with it.

c. There was no dispute management the financial ombudsmen did not want to be involved.

Politicians have limited power and so do the lawyers.

What seems illogical and unethical is not always unlawful and so quite often the courts find in favour of the banks.

They have the power and the money.

So am I wasting my time sending this submission? I do hope not.

We still live in a democracy don't we?

Please for heaven's sake. Don't just ask questions of the banks and the receiver managers apply some rules. Try for some change.

I would not wish what we have gone through on anyone.

I am very grateful for our home and our farm, but it has come at a cost.

It has lasting effects on your well-being and I'm afraid to say I have become cynical and wonder if I truly believe in justice anymore.

Kind Regards