

## BOB KATTER

Katter's Australian Party

Federal Member for Kennedy



## MEDIA RELEASE

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### Katter calls for Banking Royal Commission to tackle burning issues

KAP Leader and Federal Member for Kennedy Bob Katter says there are “burning issues”, including the need for a reconstruction board, that aren’t being tackled by the Banking Royal Commission and he has again called for the scope and duration of the inquiry to be extended.

Mr Katter’s long been concerned about the Commission’s watered down terms of reference and said it might end up being a “toothless pussycat”.

He said, “There are matters not being addressed and the current inquiry does not allow for any of these matters to be addressed. They’re going to point out the problems but they have absolutely not the remotest understanding of how you address these problems.

“There are no recommendations and no ability to make recommendations. The people that know what needs to be done don’t get a chance to talk and I won’t hesitate to bloody volunteer my services. ”

Mr Katter was the first Member of Parliament to call for a Royal Commission into the banks, in 2015.

“We’ve got to be positive and say at least we got the bloody thing there - we got something, it’s better than nothing.

“Our legislation got gazumped – so congratulations Malcolm Turnbull. We had the numbers to do you but you got George Christensen to vote for your legislation instead of ours.

“There are five burning issues that need to be dealt with –

- 1) There is no contract. When you borrow money off the bank there is no contract – you pretty much just sign a document saying they can do anything they like and you’ve got no rights at all. That’s what you sign - that’s not a contract.
- 2) We need a government rural reconstruction and development bank to take over distressed rural debt and ensure the sustainability of Australia’s agriculture sector. The producer will only need to pay 2.5 per cent interest instead of 6.5-7.5 per cent from the bank with a period of no repayments for a period of time. This supports those farmers during the ‘downs’ to make sure the industry survives for the ‘ups’.
- 3) The laws are not enforceable. There is no mechanism by which you can get redress. There needs to be a fund of money to enable people to fight the banks on these issues and it has to be significant. It would be money well spent and get the lawyers doing something useful.
- 4) There is impending disaster because of overpriced housing – the average price of a house in Sydney, Newcastle and Wollongong is \$800 000 and the average take home pay for a couple is around \$80 000 – how are you going to service that debt?
- 5) In Australia, we have recourse lending so you become a debt slave for the rest of your life. America has non-recourse lending. In America, the bank can only get the house back; they can’t get the

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debt back. So if they have been irresponsible and given you money to buy a house for a million dollars, and the house is only worth \$100 000 dollars, they take as much pain as you."

Mr Katter's comments follow the release of the Commission's scathing interim report that found a culture of greed in the financial sector. This is not news to Mr Katter who has worked to help victims of unethical banking practices for years.

In June, Mr Katter travelled to the farm finance hearings in Brisbane with 30 enraged farmers and he told the media, "We are now playing rugby league without a referee and the people of Australia are disgusted.

"These are people (the farmers) that have been on the land for generations and generations – they are not out for a big quid – they have fought a thousand elements and survived – but they can't survive with the cards that have been dealt to them. We hope this Commission gives us the leverage we need to get a restoration of the reconstruction bank – to keep the other banks honest. "

Mr Katter is not giving up on his steadfast campaign to get decent banking services. He's introduced legislation to break-up the banks (separate commercial banks from investment banking) and directly asked Scott Morrison in Parliament if he could, " assure the house that the Royal Commission will include the 'carrion' - the receivers and 'address' the issue of a Reconstruction Bank, enabling farmers to ride the roller coaster of supply and demand? "

Mr Katter said, "Obviously it's an issue that we've raised and will continue to raise with the Prime Minister and I don't think really that he or the ALP are hostile to the cause."

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