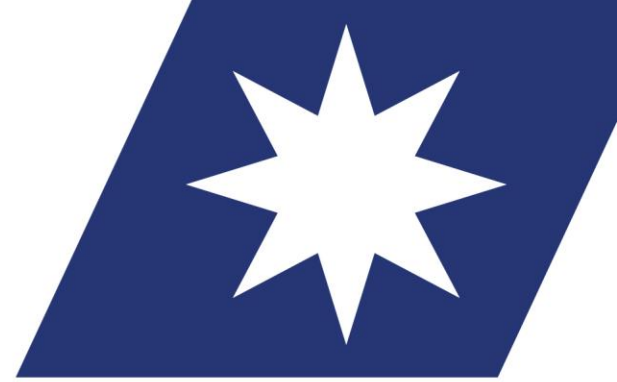


## BOB KATTER

Katter's Australian Party

Federal Member for Kennedy



## MEDIA RELEASE

5 November 2018

### Address redress, don't feed a lazy lapdog \$60m

KAP Leader and Federal Member for Kennedy Bob Katter has implored the government to address redress lending after hearing that the Australian Prudential Regulation Authority (APRA) is set to receive \$60 million to assist in monitoring poor banking and finance practices.

Mr Katter said he was comforted by the Government's decision to make such a swift decision after receiving the interim report issued by Commissioner Hayne in October, but worried that the Government was 'barking up the wrong tree'.

"We congratulate Treasurer Frydenberg but this is not one of the five most important actions that need to be taken on banking, particularly the liquidators and receivers," he said.

"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 so people can 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 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."

"There are notorious cases all over Australia, and APRA would be the greatest waste of money of any service provided by any Government in Australia.

"In the notorious Storm case, the Government failed to act, hundreds of millions of dollars vanished and most argue that still no action has been taken.

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Katter's Australian Party

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## MEDIA RELEASE

“The notorious case of the Innisfail sugar mill; mills of that size cost \$200 million and it was sold out from under the owners, stripped of its unnecessary cash asset for \$7 million. 40 of the farmers took up the case themselves for a \$23 million out of court settlement.

“Kagara Zinc and the Townsville Nickel cases are further proof that APRA is not the gang that couldn't shoot straight, rather they are the gang with the guns that everyone knows the aren't loaded.

“Giving money to APRA, with all due respect to the Treasurer, is like feeding the drones in beehive.

“There were 12 appalling cases, but one delineated in the national media by Michael West (Sydney Morning Herald), was that Kagara Zinc's majority shareholders bought the assets and were shorn of the debt.

“So whilst we applaud the Treasurer for providing them money, this money should not go to a blood sucking organisation where it will only be used to line their own pockets and hire kids from university to do their work for them. They will definitely not work with the Australian public interest in mind. “

—ENDS—

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