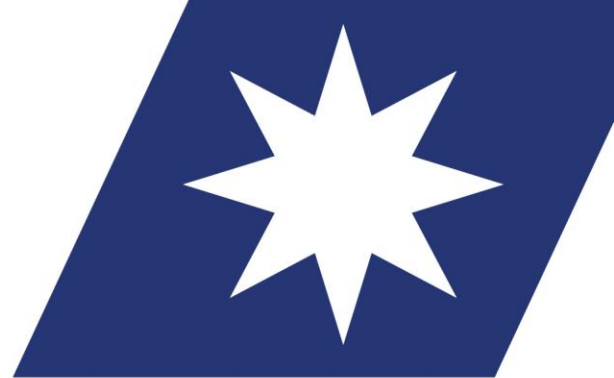


BOB KATTER

Katter's Australian Party

Federal Member for Kennedy



MEDIA RELEASE

19 July 2019

Katter enters into banking reform discussion with key Labor figures

KAP Leader and Federal Member for Kennedy Bob Katter has entered into discussions with key figures in the ALP today in a renewed push to abolish “farcical” government watchdogs like APRA and ASIC.

He’s also announced that he will draft reform banking legislation focused on a return to recourse lending, Glass Steagall principles and establishing a banking oversighting authority.

“There are many other issues when it comes to these ‘lap dogs’, but the total failure of APRA is the basic outrageous nature of their claims of providing prudential probity of the banks. There would not be a single Australian that would agree with that ridiculous proposition and that alone should guarantee their abolition,” Mr Katter said.

He entered into conversations with the Shadow Minister for Finance Katy Gallagher as well as Shadow Minister for Financial Services Stephen Jones today to launch a campaign akin to his Banking Royal Commission legislation which attracted the Crossbench, enticed George Christensen to cross the floor in 2017 and incorporated the recommendations of the ALP and the Greens, thus solidifying the numbers.

“The crossbenchers were very strong for banking reform, and I’m sure we will remain so,” Mr Katter said.

“While I greatly respect the Prime Minister and the Treasurer’s concerns that the banks will be inhibited from lending in a time when lending most needs to take place, my fellow crossbenchers and Labor have got to achieve reform because the Turnbull replacement inquiry was a complete farce.”

Mr Katter argued the abolition of APRA was because it could not be repaired or rebuilt as proposed by today’s *Financial Review* report, which said that the working conditions within one division of APRA that was allocated to reviewing the banks became toxic, with the bank executives refusing to take them seriously, eventually leading to the departure of employees.

“It is beyond repair. This group of people have no control. They are in complete essence, a lap dog. A toothless tiger. The bankers are quite literally laughing at them,” Mr Katter said.

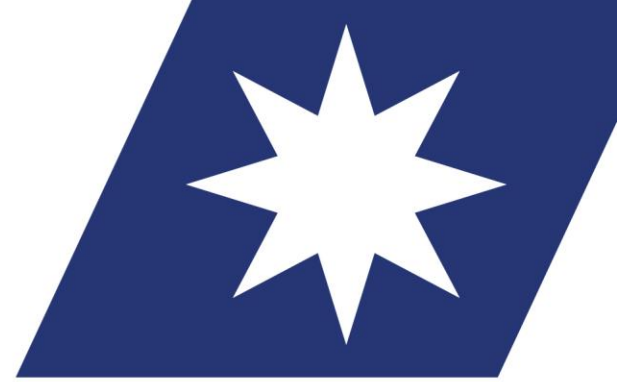
“But if we can’t abolish it, what I’d like to see is APRA and ASIC out there be under an independent board made up of the sort of people like retired Chief Justice Brennan, Tim Costello, Dick Smith, Professor Wronski, Twiggy Forest *inter-alia*.

“The rollercoaster of climate and world markets, which is the paradigm of agriculture, the up curve in good times is truncated by taxation and the down curve is elongated by banking fears. Australian bankers are not bankers, they are mortgage lenders.”

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He listed the most elementary changes that needed to be made when it came to banking reform in Australia.

“First, Glass Steagall – a separation of banking from market operations (the players in stock market game), second, standard form contract – (if I make the repayments and interest on time, then the banks have no right to foreclose), and third, non-recourse Lending – (the banks’ arbitrary powers to set interest rates at whatever they feel like and apply bank charges wherever and however they want will vanish).

“The USA and most civilised economies have non-recourse lending. When a bank forecloses it shares the loss. The banks in the USA have the right to take ownership of the property and sell it for whatever figure they please – the same as in Australia.

“But the huge difference is, if there is a residual debt, and the house sale does not meet the outstanding debt, then the poor old borrower becomes a debt slave for the rest of his life. In the USA, you lose your house, you lose your repayments and the interest you repay the bank – but there is no residual debt. You walk away with no lasting debt.”

The only reason Australia didn’t have a global financial crisis, Mr Katter said, was because of the brilliant work of Kevin Rudd and Wayne Swan in putting massive amounts of spending money in the hands of people who would spend it, for which he said they never received proper credit.

“And the Treasury, and APRA influences, well they tenaciously opposed that action because while the Australian banks are just mortgage-lenders, treasury officials are book-keepers. They do not have the remotest understanding of the bigger picture.

“And all of this is hidden behind the iron (and coal) curtain. These exports are camouflaging an economy that has completely collapsed.

“Like the iron curtain of old, it’s coming down.”

—ENDS—