



Speech by

PETER WELLINGTON

MEMBER FOR NICKLIN

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CORPORATIONS LAW

Mr WELLINGTON (Nicklin—IND) (11.04 p.m.): Last week I spoke in this House about the need to change the Corporations Law because of abuses by large companies such as the National Bank, Telstra and Woolworths. Unfortunately, during that debate the Liberal and National Parties opposed my motion and I hope the following example of the Commonwealth Bank's excesses may prompt both parties to reconsider their opposition prior to the convening of the Standing Committee of Attorneys-General meeting this Friday.

Yesterday I spoke to a prominent and highly respected dairy farmer who informed me that, after being encouraged and supported by the Commonwealth Bank to borrow money over recent years, his loan interest rate jumped from 9.9% to 14.2% in July this year. When the farmer asked why the interest rate increased, he was told that because his milk quota no longer had any value, the bank's risk on his loan had increased and, accordingly, the interest rate on the debt had to increase.

I understand the bank has maintained this hardline stance notwithstanding the fact that the farmer has over many years demonstrated his capacity to regularly and without fail meet the loan repayments on time. Another disappointing aspect of this case is that it contradicts the Commonwealth Bank's promotion of the bank's willingness to restructure farm debts. In this case, notwithstanding repeated requests for a restructuring of the debt, the bank refused, arguing that the increased risk necessitated the increased interest rate from 9.9% to 14.2%.

A Government member: That's a disgrace.

Mr WELLINGTON: That is a disgrace.

This is a real life example of the Commonwealth Bank's callous use of strong-arm tactics to make Queensland farmers pay unreasonable interest rates on farm loans once farmers are up against the ropes. I have been informed that support from the Department of Primary Industries financial counselling service has been greatly appreciated by this family. As a result of this support, negotiations are currently under way with another bank to refinance the farm debt. I believe the Commonwealth Bank's actions in this case are a jolly disgrace, and I am happy to provide the name of the farmer in question to members privately if members wish to follow up on this matter.

Accordingly, I urge the members of the Liberal and National Parties to reconsider their opposition to my motion and support the stance taken by all other members of this Parliament prior to the Queensland Attorney-General leaving for the Standing Committee of Attorneys-General meeting this Friday.
