Chris and Claire Priestley
438 Miralwyn Road
Carinda NSW 2831

4 July 2014

Professor Ian Harper
Chairman
Competition Policy Review
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Professor Harper

Re: Competition Policy Review submission

Entering into a defining Australian tradition, in 2004 my brother Chris and I bought out the balance of the family farm from family members and it became an independently owned and operated agricultural business.

Tragically, for us, by 2013 the National Australia Bank foreclosed on our land and took away our livelihood. Such events have far reaching emotional, social and cultural implications for individuals, the farming community and broader Australian society. However, this submission will focus on the actions of the Bank and its unconscionable behaviour when dealing with us and our business.

It is hoped this case study will serve as a catalyst for legislative change that will protect farmers from such abuses at the hands of Australia's banking institutions in the future.

An Incorrect Contract

The Priestley's first signed a contract with the National Australia Bank in October 2004. This provided them with a loan of $3 million in order for them to buy the balance of their farm from our family. In 2006, the NAB loaned us a further $1.2 million to buy the next door property and to increase their available working capital.

Upon signing a Standard Facility Offer, we became protected by the provisions of the Code of Banking Practice. This code was developed in 2003 to protect the Bank's small business customers and primary producers. It would ensure appropriate monitoring of the Banks conduct, starting with investigating all complaints. Likewise, at about the same time, the ABA stated the revised 2004 Code ensured all banks, not just the NAB, were committed to acting "fairly and reasonably towards customers in a consistent and ethical manner".

Unfortunately, the NAB could never fulfil this seemingly watertight contract provisions as it had already changed the contract when we signed it. The Code provided an opportunity for sixteen banks to establish a Code Compliance Monitoring Committee (CCMC) to investigate and make a determination on customer complaints.

However, on 20 February 2004, the Code Compliance Monitoring Committee Association (CCMCA) had established (an unpublished) constitution. The CCMCA had the same

members as the Australian Bankers Association. These people were the CEO's of the nations leading banks.

In the constitution, the CCMCA limited the powers and authority of the code compliance monitors to hear complaints. The constitution stated the CCMC must not consider a complaint, if:

- it relates to the CCMCA member's commercial judgement about lending . . .
- the CMCC becomes aware that a complaint may be heard in another forum . . .
- the CMCC thinks there is a more appropriate forum to deal with the complaint . . .
- the CCMC considered the complaint is frivolous or vexatious . . .
- the complainant was aware of events the complaint relates or would have become aware of them if they had used reasonable diligence, and . . .
- if more than one year before the complainant notified the CCMC in writing (etc).

The banks imposed these restrictions that clearly prevented the CCMC from making "a determination on any allegation from any person that a code subscribing bank breaching the code" as clearly stated as one of the key provisions in the contract.

While and the Australian Bankers Association, and an Officer of the CCMCA was fully aware that the contract they signed with us was based on a falsehood, and they made no attempt to change the contract or to make the CCMCA constitution available to us over two contract signings.

Hard Times

Between 2004 and 2009 we suffered an extraordinary series of bad seasons. While weather pressures are always stressful for farmers, the family felt it had some economic protection from the ravages of the weather.

Firstly, we believed the NAB was the most experienced agribusiness bank in their region. It had such an experienced agribusiness reputation it would lead to an understanding that any investment in a weather dependent business came with an element of risk. This meant profits were only achievable once severe weather had passed.

Secondly, in 2008, the bank with such a good reputation was provided a copy of our farm's valuation that noted the property was worth $9.5 million. By 2010, we owed the NAB only $5.5 million, giving them plenty of collateral in the land itself.

From 2009, we were trying to continue farming despite a drought that had lasted 5 years. In an attempt to turnover significant profits, we approached the NAB for crop funding, in particular for cotton. The family wished to plant cotton as the cotton prices were high and the cotton-land could finally be irrigated due to water availability after years of droght, unexpectedly, the NAB denied the loan and told us to sell the farms without crops being sown.

Seeking resolution to an unexpected and seemingly baffling decision, we utilised our rights provided to us under the Code of Banking Practice contract. In 2010, we reluctantly filed complaints at the NAB regional branch at Narrabri. The complaints were delivered verbally (see attached note).

The Code sets the precedent for verbal contact when it states that complaint resolution can be delivered verbally. At the time, we requested a copy of the written version of the complaints, the NAB agreed to forward a copy to them in writing when sent to higher powers within the NAB. This request, whilst agreed at the time, was subsequently denied.

In 2010, we were still not able to secure crop funding. We believed that our relationship with the NAB had broken down due to filing a complaint.

Complaint Process

Following our complaint, the NAB took the destructive step of forcing us into Farm Debt Mediation, which signalled the start of an Enforcement Action. We were sceptical as mediation could have a lasting implication on the farm and business. The family knew that if mediation was unsuccessful they could not secure specialised crop funding to sow an irrigated crop from other lenders. Other lenders would not invest in the crop when the farmers were at risk of losing their land and the lenders their cropping funds at a bank's whim.

While we resisted the bank's call to attend mediation, the family felt it was being bullied into it and we had no choice but to accept a situation where, at the least, we had proved to the NAB that we were committed to saving the farm. On 21 July 2010, we attended the mediation with the NAB in good faith, but noted we did so under pressure.

What we were unaware of was the fact that the bank used mediation to ensure that our complaints would never be investigated by the CCMC, and whilst this was more serious than we knew at the time, it was dangerous. As the NAB was one of the party's to the CCMCA constitution, which ensured that the monitors would not investigate complaints once we attended mediation. No farmers could ever have known about the problematic constitution because the code subscribing banks had kept details of this out of reach of customers since 2003.

The family only found out about the changed contract recently and when we did, we filed it with the bank as a complaint. We addressed the complaint to NAB Directors in 2013 (letter attached). By now, however, it was clear to us that the NAB was not going to investigate any of our complaints as required under the contract.

Outcome

In 2012, we hesitantly responded to a possession action by the NAB that required us to litigate our differences with the bank in the Courts. By this time, we were experiencing financial hardship due to the lack of cash flow, hence profits, with the business. What we were unaware of was that the code compliance monitors would now have another reason to not investigate our complaints as we had attended mediation (one forum), and now attended Court as the NAB had filed proceedings.

In 2013, we were forced to exercise our rights, as unrepresented litigants, and take the NAB to Court. Thus, concluding the complaint with a David and Goliath battle alleging the Australian Bankers' Association and its banks, including the NAB, relied on the corrupt banking code. However, by 2013, when we attended Court the NAB would have briefed its lawyers on the problematic code and its unethical conduct beforehand.

The family believe that ASIC was aware of such unethical manoeuvring as early as 2008 when the code compliance monitors filed a submission in relation to the constitution with the review being carried out by Ms Jan McClelland.

They are even more convinced that ASIC was aware of the banks' unconscionable behaviour by 2010, as it would have seen a copy of the Australian Bankers' Problematic Code paper, commissioned by the Council of Small Businesses and published by the Senate. Despite this, ASIC remained silent, making no attempt to investigate the banking scam or provide assistance to the family.

The Court found against the unrepresented Priestley's. This was clearly helped, no doubt, by the Court not finding it feasible for the NAB and other subscribing banks to keep this corrupt conduct covered up for 10 years. Understandably, the Court had faith that the NAB's lawyers, as officers of the Court, would not keep such potentially corrupt arrangement for a senior judge in the Supreme Court.

However, the NAB lawyer's choice to remain silent on mistakes or corrupt contract in this matter suggests they were instructed to avoid this issue. Despite this, there is evidence the NAB lawyers knew about the banks role in concealing potentially dishonest conduct from its agribusiness clients for ten years, having changed the small business contract in early 2004.

With all lines of dispute resolution now closed or shut-off for us, we simply hope that the agribusiness politicians are able to see laws developed so that corrupt banking conduct does not continue and the ineffectual regulators are replaced. Considering the farmer's circumstances, it is apparent that all farmers that signed the NAB contracts between 2004 and 2013 have been held to ransom by regulators that, when fully briefed some time ago, failed to investigate the code subscribing banks unconscionable conduct.

The Priestley family are still unaware of the reason why the NAB chose to stop providing investment in their business, and would like to present their story in more detail by meeting with the review members while the issues are being considered.

The Priestley's matter and complaints have still not been investigated.

Claire Priestly

Encl.
1. Priestley to NAB Chairman 14 January 2013
2. Complaint Summary 4 July 2014
3. Priestley to ASIC 20 October 2013
4. ASIC to Priestley 15 November 2013
5. Financial Impact Report November 2012

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Macquarie River Country

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14/1/2013

Mr Michael Chaney
Chairman
National Australia Bank
Level 3, 800 Bourke Street
DOCKLANDS VIC 3008

Dear Mr Chaney

Re: National Australia Bank v Christopher Priestley and Claire Priestley

I am writing to the Directors of the National Australia Bank attaching a copy of my letters sent to Mr Cameron Clyne dated 6 and 11 January 2013. They note a stunning failure in oversight by the National Australia Bank directors.

We have requested the bank withdraw from proceedings against us until allegations of misleading conduct, resulting from changed contractual terms and non-disclosure, are fully investigated by the bank or dealt with by the court.

Mr Chaney, Directors of the National Australia Bank and the court cannot accept this behaviour without validating it.

Yours sincerely,

Claire Priestley.
Claire Priestley

Copy: The Hon. Brendan O'Connor, Federal Minister for Small Business, Executive Directors COSBOA and TSBC

The Priestley's 19 May 2010 letter Cameron Clyne included the following complaints

1. On Friday, 16 April 2010 at around 2 pm we walked into the NAB branch at Narrabri and asked to see . She told us he was out at lunch with his bosses including but that if we came back at 2.30pm he would be able to see us.

2. We returned at 2.30 and were told a different story. We were told that a financial analyst could see us as and were not at the office. Instead we met by Fiona Worboys who said the teller got it wrong, was on his way to Quirindi.

3. We met Ms Worboys and she offered to list our complaints regarding the way and were treating us. She listed our complaints and prior to us leaving her office agreed to send us a copy of the list. She said her handwriting was hard to read but would type the complaints and send them to us by email when she sent them to Sydney.

4. In my emails to it can be seen he refused to allow Ms Worboys to send us a copy of the complaints. We later tried to find out if NAB Agribusiness managers were made aware of our meeting and that Ms Worboys agree to send a copy of the complaints to us.

5. I recall the complaints that Ms Worboys listed, included:

    - A request to have our file moved to the Wynyard office because there was a lack of interest by the local branch manager, and that our farm was worth $12 million. We wanted to meet NAB Agribusiness who we were told was at Wynyard office.

    - commented that he did not know Miralwyn Cotton was owned by the American cotton innovator Bill Finley and was considered the best cotton property in Australia. He also said he did not know that Carinda area is known for its diversity and iconic properties that surrounded our farm.

    - He would not tell us if NAB Agribusiness appreciated how long it would take to sell our holding even if we agreed to be a willing seller, because we had to find a buyer willing to pay a fair price. He knew about the Cubby Station sale, which was a good example of how long it takes to sell a property in this area.

    - He had no interest in the NAB appreciating we had invested heavily in our property and whilst the NAB had supported us in the past it was ridiculous to suggest that we could sell our holdings in May 2010, having been told to do so in April 2010.

    - We told Ms Worboys that the AXA was tendered at double what it's worth when an Asian division had been running it at a loss. We said that we wanted to receive a fair price for our farm and the NAB should be working with us not against us.

    - We said that if was interested in our business he would have visited us and that since 2007 he had shown no understanding of our exceptional problems.

6. On 25 March, we called to explain how serious our present situation was and he told Chris that he would call him back. did not call us back, and this was the last phone call we had with which, given the circumstances, was unsatisfactory.

7. had also been sending nasty and insensitive emails to Claire about the Black Dog Institute. In fact, he knew that given our circumstances, and being a senior manager, he had a personal and commercial responsibility to assist us because we were his clients.

8. The NAB directors made a mistake or were negligent allowing the bank to avoid investigating our legitimate complaints because a senior bank person must have told Ms Worboys not to send us a copy of our verbal complaints as agreed when we met her at Narrabri in 2009.

9. We should have been able to meet the NAB Agribusiness, CEO, Mr Khan Horne in Sydney before our file was sent to the Strategic Business Unit because he would not have required the bank to force us into Farm Debt mediation.

10. In 2012 we found out that the NAB, and no doubt the Agribusiness manager knew that it must ignore our complaints because the industry monitors had previously agreed with the bank to not investigate our complaints if the bank forced us into mediation.

11. Later in 2012 we read the paper published by the Senate in response to the Small Business Council that it filed in 2010 that explained how the NAB was one of a group of bank that had agreed with the banking monitor's how they could breach contacts and get away with it.

12. In November 2012 Agronomist Greg Rummery commented on damages suffered by the Priestley's as a result of the decision by NAB to withdraw funding.

13. On 20 October 2013 Chris Priestley wrote to Mr Greg Medcraft, Chairman, ASIC, and outlined mistakes by the Bank when handling the Priestley matter.

14. On 15 November 2013 Mr Warren Day, Senior Executive, Stakeholder Services, ASIC wrote to Chris Priestley without investigating allegations set out in our 20 October 2013 letter.

15. The contract we signed in 2004 was dishonest if the NAB made mistakes or engaged in unconscionable conduct during this period.

Claire Priestley
4 July 2014

PO Box 629
Walgett NSW 2832

20/10/2013

Mr Greg Medcraft
Chairman
Australian Securities and Investment Commission
Level 5
100 Market Street
Sydney NSW 2001.

Dear Mr Medcraft

Re: Complaint against ASIC for failing to warn and protect us from the National Australia Bank (NAB) and the Australian Bankers Association (ABA).

We are farmers from Carinda near Walgett, we have lost our land and home because the National Australia Bank decided to seize our only asset by refusing to treat our loan fair and ethically.

In your privileged role as Chairman of ASIC you must take all necessary steps to ensure consumers are protected from dishonest corporations.

You can not deny that you have not been made aware that the ABA's May 2004 Code of Banking Practice has misled the Australian Public about its commitment to complaint investigation, by secretly binding the Code Compliance Monitoring Committee (CCMC) to another contract that being the unpublished and unregistered Code Compliance Monitoring Committee Association (CCMCA) Constitution of February 2004.

ASIC has been aware of this Constitution since at least the 2005 FEMAG review of the CCMC and the 2008 Viney Review that included a submission by the CCMC that reported on the necessity for the CCMCA Constitution to be revoked as it was constricting their investigative powers.

We have lost our farms and life because the Code of Banking Practice failed us, and failed to protect us from litigation, the original intention of the 1993 Code, that has been manipulated in 2004 to ensure customers only External Dispute Resolution (EDR)

service is the Court forum. You know a customer without cash and representing themselves cannot possibly beat a bank with endless cash and expert lawyers who specialize in possession and eviction. The insane treatment we received from the NAB could have been dealt with in a sane manner if our complaints had been investigated as promised in our contract. Instead we are homeless facing bankruptcy.

Banks and the FOS are conveniently telling innocent Farmers that Farm Debt Mediation (FDM) is an EDR therefore they do not qualify for any other EDR. This is a complete lie, the Code is bound by ASIC only approved EDR's, FDM is not ASIC approved as an EDR. The Code is contractually binding, FDM is not in contracts and is the commencement of Enforcement Action. Like us, farmers are quickly served FDM before complaint investigation can be commenced and is not commenced because the Constitution deems other forums such as FDM give the CCMC the right to terminate all complaint investigation. No where in the Code is the word forum defined but in the Constitution it is. FDM binds the farmer to unreasonable obligations that cannot be met and the farmer thus loses their farm because possession is permitted if the farmer breaches the FDM obligation. This web of deception ensures farmers are not given access to either any free Internal Dispute or External Dispute services that deal with complaints. Likewise us other banking customers are treated similarly so litigation is their only option.

Farm Debt Mediation is not for complaint investigation. A mediation cannot follow the Code's guidelines to complaint investigation.

ASIC must also investigate former ASIC Chairman Mr Tony D'Aloisio's role in this misleading and deceptive conduct of the ABA. Mr D'Aloisio was the Chief Executive Partner of Malleson Stephen Jacques, the firm that executed the ABA's February 2004 CCMCA Constitution. This is certainly a conflict of interest whereby Mr D'Aloisio moves from this law firm to ASIC, knowing full well that bank complaints would never be investigated because of the constrictive terms of the Association's Constitution that are not mentioned in the Code ie: if a complaint is in another forum it can't be investigated, complaints after one year of the event of the complaint cannot be investigated.

ASIC must also investigate former ASIC deputy Chairman, Ms Jillian Segal and now NAB director. Ms Segal cannot deny she was not aware of the CCMCA Constitution, she was Chairman of the Financial Ombudsman Service (FOS) in 2004 when the FOS with the ABA engaged the CCMC for the May 2004 Code. Ms Segal along with the other directors of the NAB and the ABA received letters from us

in January 2013 prior to us being evicted on 31 January 2013 asking them to investigate our complaints about the NAB since 2010 and our complaints about the Code. Ms Segal and the directors ignored our letters and let us be evicted. It is little wonder Ms Segal promoted self regulation during her time at ASIC, self regulation is a perfect way to deceive the public with secret inaccessible contracts.

We ask that a proper investigation is conducted into the architects of the Constitution and which banks have used this to their advantage. ASIC is allowing innocent Australians to be treated as criminals in court, leaving them shattered emotionally and financially for life, whilst bank directors are not being made accountable to anyone.

The NAB has let our neighbors take over our farms before settlement, we still receive accounts for our water licences and other rate accounts that we cannot pay and should not have to pay. The NAB have not advised us of the sale price, we just presume our neighbors were the successful tenders as they are running it.

We ask you as the Chairman of ASIC use your powers to intervene with this sale before it is transferred to another purchaser. The NAB should be made hand our assets back and compensate the new purchasers for the appropriate amount. The NAB with the assistance of the ABA have used their misleading and deceptive contracts, against us to gain financial advantage over us. The NAB needs to be made accountable for this deception they used to seize our properties.

A caveat must be put on our farms immediately by ASIC, and the NAB must be made return our farms and made accountable for our misleading October 2004 contract. Not having access to the constitution meant we didn't have access to the proper information to know what our contract truly meant, we were not made aware that we could not exercise our contractual rights. In other words the NAB could treat us any way they wished because they knew they answerable to no one.

You and ASIC cannot deny you are not aware of the facts, as it appears ASIC has played a crucial role in assisting the banks to use litigation as the only dispute resolution services available to customers. ASIC has been aware of this deception of the Australian public for years and not taken control of this situation adding to ASIC's reputation that it has been set up to protect corporations rather than the consumer.

Please show some decency and strength and turn this atrocious treatment of innocent Australians around and demand an investigation into the conspirers of these misleading contracts.

I ask that you step in now and do the right and proper thing by us and the Australian public or we will be demanding an investigation into your credibility.

Yours faithfully,

C Priestley

Chris Priestley

ASIC
Australian Securities & Investments Commission

Level 24, 120 Collins Street
Melbourne VIC 3000
GPO Box 9827 Melbourne VIC 3001

Telephone: (03) 9280 3200
Facsimile: (03) 9280 3444
ASIC website: www.asic.gov.au

Our Reference: CCU-13\0905

15 November 2013

Mr Chris Priestley
PO Box 629
WALGETT NSW 2832

Dear Mr Priestley

National Australia Bank Limited and the Australian Bankers' Association

Thank you for your letter dated 20 October 2013 addressed to Mr Greg Medcraft, Chairman of the Australian Securities and Investments Commission (**ASIC**), concerning National Australia Bank Limited (ACN 004 044 937) (AFSL/Australian Credit Licence 230686) (**NAB**) and the Australian Bankers' Association (**ABA**). The Chairman has asked me to respond to you.

Your concerns

We understand from your letter that NAB has foreclosed on your loan for your farm and you were evicted from your home earlier this year.

We also understand from your letter that you were unable to resolve your dispute with NAB about your loan for your farm through Farm Debt Mediation in a way that was workable for you. You were unable to access NAB's external dispute resolution scheme, the Financial Ombudsman Service Limited (**FOS**), for this dispute.

You have raised concerns that NAB did not treat your loan fairly or ethically and you believe that NAB did not comply with the Code of Banking Practice (**the Code**).

You have also advised that you believe the ABA's Code Compliance Monitoring Committee (**CCMC**) did not adequately consider your allegations. This appears to be because the CCMC advised that it could not consider your allegations as you were involved in dispute resolution with NAB.

You have also commented on the history and effectiveness of the CCMC and its constitution.

ASIC role

ASIC administers the regulatory obligations on banks who provide credit to consumers in Australia. We appreciate that these are difficult circumstances for you, and we thank you for raising your concerns with us. Reports of misconduct such as your provide ASIC with valuable information that can assist us to understand concerns about current conduct of lenders and how they affect borrowers.

ASIC can only act where there has been a breach of a regulatory obligation under the law we administer. Unfortunately, not all disputes between borrowers and lenders will suggest

that a lender has breached its regulatory obligations for consumer lending. In addition, the focus of ASIC's regulatory action must be the public interest, and ASIC's role does not extend to taking actions against lenders on behalf of borrowers in relation to the terms of their loans.

We note that loans for farms will often be commercial loans, rather than consumer loans, and are therefore not subject to the primary consumer protections for consumer lending that ASIC administer. These loans may also be for significant amounts, and disputes about these loans can be for amounts that are greater than what FOS will consider. The New South Wales Farm Debt Mediation scheme can be available in these circumstances.

ASIC consideration

ASIC has considered the concerns you have raised. Unfortunately, the information available to ASIC about your concerns does not provide sufficient evidence to suggest that NAB's conduct breaches its regulatory obligations for consumer lending. For these reasons, ASIC is unable to take further action in relation to your concerns.

Future steps

As a regulator, ASIC does not intervene in private, commercial disputes between borrowers and lenders. We also cannot intervene in or overturn decisions by external dispute resolution schemes or through farm debt mediation.

Where disputes between borrowers and lenders cannot be resolved through mediation or through external dispute resolution (if available), the option available for borrowers is to pursue their private rights through court.

Similarly, we note that the Code creates contractual rights for borrowers to enforce against lenders in relation to their credit contracts. ASIC does not enforce these contractual rights, nor does a breach of the Code amount to a breach of a regulatory obligation.

We would encourage you to seek your own legal advice about these matters. We understand that you may not be in a position to retain a private lawyer, given the expense involved. In these circumstances, you may wish to contact Law Access NSW on 1300 888 539 for a referral to a community legal centre who may be able to assist you.

Finally, while we understand your concerns about the limitations of the CCMC, the CCMC is a self-regulatory initiative of the ABA. As you note, the CCMC is not approved or overseen by ASIC as an external dispute resolution scheme. The terms of the CCMC constitution are a matter for the ABA members, and you may wish to direct your concerns to the ABA.

Yours sincerely

Warren Day
Senior Executive Leader
Stakeholder Services

Chris and Claire Priestley
438 Miralwyn Road
Carinda NSW 2831

6 August 2014

Professor Ian Harper
Chairman
Competition Policy Review
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Professor Harper,

Re: Competition Policy Review submission

On 4 July 2014, I sent a submission (attached) to the review explaining unconscionable actions by one of the leading banks. My submission suggested that the lack of competition by sixteen banks led to the destruction of our livelihood and business.

I demonstrated how the bank's unconscionable behaviour led to the forced sale of our farm late last year. In my earlier submission, I also said actions by leading banks had far reaching implications for the broader Australian society. I wish to outline how these concerns affect the broader Australian society.

Agribusiness Contract

When my brother Chris and I signed a bank loan the bank said we would be bound by relevant clauses in the banking code. It was part of our contract that the bank would investigate all complaints. That clause is evidently in all agreements when small businesses borrow funds from the sixteen leading banks.

In 2010, we made complaints to our bank. To our confusion, it refused to investigate our complaints. The loan contract, which made absolute promises the bank would investigate ***all*** complaints, was unexpectedly breached. The bank was adhering to the Code Compliance Monitoring Committee Association's constitution (the secret constitution), which evidently stated it did not have to investigate ***any*** complaints.

We did not know anything about a secret constitution until two years ago, however it creates a monopoly for banks to alleviate small business risks. Farming is long term, however, and often hindered by events beyond the farm gate. Therefore, when banks enter into farm loans it must be in good faith. On the other hand, when banks decide to sell a farm, they convert a long-term business loan into a short term/ low risk real estate loan, and, without relying on its small business contract or agreement, simply sell the real estate.

Bank Letter

This is a true copy of my recent letter to our bank:

Dear Sir,

Re: Complaint Agribusiness Contract

"I wrote to you on 14 January 2013 and 28 July 2014 and, on both occasions, suggested your agribusiness contract was unconscionable, owing to a banking scam.

The [bank] will have a copy of the Small Business Council's submission to the 2010 Banking Inquiry. It states the Code Compliance Monitoring Committee Association's constitution, that the ABA members approved, allowed the [bank] to 'keep hidden' from agribusiness customers how, at its discretion, it could avoid having to investigate any complaints.

The covert constitution made the contract between the bank and us misleading and deceptive. No agribusiness customer would sign a financial contract with the ... bank knowing this was the case. It gives the bank a free hand to do as it likes, with full knowledge that no substantive complaints will ever be heard, which is unconscionable and corrupt. This is exactly what has happened in our case.

After refusing our application for additional finance, the bank forced us into mediation. This took away any option we had to fund a new crop. It then foreclosed on our loan and exhausted our capital in exorbitant fees. The only option we had left to seek redress was through the Code Compliance Monitoring Committee. Devastatingly, we found this option had been closed off ten years earlier by the covert constitution. And so the trap was shut.

The tragedy is that we now know we are, in all likelihood, not the only farmers that this has happened to. It seems a pattern of behaviour the bank might redress quickly, if only to avoid another public banking scandal.

We require the bank to honour its contract with us and investigate our complaint and to provide us with a written copy of its report, as promised in the code and required in our contract.

Please confirm the ... directors will require the bank to do this.

Sincerely,

Claire Priestley

National Solution

Government policies have allowed banking monopolies to continue, in secret, for ten years. The concept of self-regulation has failed. There is evidence that only a few customer complaints are ever investigated, the secret constitution being designed to assist banks from doing this. The 'cloak and dagger' form of the constitution shows how far they went to avoid having to investigate ***all*** agribusiness complaints, solely to increase their collective profits.

A national problem requires a national solution. This can only be achieved through legislation. Firstly, an independent regulator, not swayed by the banks need to make profits, must be installed to oversee practices. We found that ASIC was unwilling to assist in protecting farmers from the dangers of banking monopolies, however, there will be many international models that have suitable regulation.

The present self-serving monopoly has the power to retard agribusiness growth as we can attest. It can cripple the innovative businesses. Only appropriate legislation and effective regulation will encourage competition, which stimulates the economy and allows farmers to be more innovative.

It is necessary for agribusiness, bankers and governments to work together. This will not happen until governments curb the extraordinary progression of banks operating as monopolies and cartels.

Legislation (not contracts or promises) must stop banks operating as monopolies and commencing court actions without first investigating complaints.

Sincerely,

Claire Priestley.
Claire Priestley

Enc: Claire Priestley submission to Competition Policy Review 4 July 2014