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Ms T Matulick
Secretary
Parliamentary Joint Committee on
Corporations and Financial Services
By email to: corporations.joint@aph.gov.au

Dear Ms Matulick

Tasmanian Small Business Council Submission

The Tasmanian Small Business Council (TSBC) members place before the Parliamentary Joint Committee on Corporations and Financial Services a submission, which addresses the various matters mentioned in the terms of the Committee's inquiry.

Our submission comprises this letter and the attached documents prepared independently by Mr Archer Field BEc. MBA.

The documents relate directly to the terms of the inquiry.

The documents demonstrate, by the assemblage of facts and the identification of the process used by the eighteen major banks, that banks have avoided their legal obligations set out in the Australian Bankers' Association Voluntary Code of Banking Practice (The Code). The banks have avoided legal obligations towards the 2.5m Australian small business, 130,000 primary industry enterprises, and unknown millions of home loan customers.

These practices have been instituted by banks on a case-by-case basis. The papers included in our members' submission present to your Committee evidence of breaches that are systemic in nature. They have been developed collectively by Code-Subscribing banks to achieve their desired outcome.

It is apparent that the procedures and practices adopted by these banks have enabled them to avoid responsibility for their actions, and the actions of their agents and employees. Sadly, these practices have gone unchallenged by government regulators that oversee banking practices in Australia.

Our members' submission concludes with the observation that there are many and various unfair, harsh and unconscionable practices undertaken by banks. These are presented directly to your Committee or are known as matters on the public record through media coverage. For a long period, the banks have known that by following these practices they can avoid responsibility for their actions. While these practices continue, so too will the banks unfair and unconscionable behaviour.

The work of your Committee provides an opportunity to progress recommendations for consumer protection, dating back to the deliberations of the 1981 *Australian Financial Systems Inquiry* (the Campbell Report), the “Viney” Review in 2000, and the 2014 *Financial Systems Inquiry* (the Murray Review).

A recommendation from your Committee that the government enacts early legislation, along similar lines to the *Banking Amendment (Banking Code of Conduct) Bill 2012* (the Wilkie Bill), would limit the temptation for similar activity by banks in the future. Such legislation should be designed to protect rights and entitlements of fair play to millions of Australian small businesses, primary producers and home loan customers.

The lead member of our research team, Mr Archer Field, and the undersigned would appreciate the opportunity to appear before your Committee at a convenient time.

Yours faithfully,

GEOFF FADER,
CHAIR
TASMANIAN SMALL BUSINESS COUNCIL