

**Submission to Senate Inquiry**  
**"Effects of the GFC on the Australian Banking Sector"**

28<sup>th</sup> May 2012

Economics References Committee  
PO Box 6100  
Parliament House  
Canberra, ACT, 2600

Dear Senators,

Please find attached my submission that relates to how I/my business was treated by Bankwest after it was acquired by the Commonwealth Bank of Australia during the GFC in late 2008.

I trust that what has occurred to myself and many others does not happen again in Australia. The power and misuse that banks now enjoy, without any real scrutiny, is intolerable. Please use this inquiry to better serve the people of Australia who work so hard to make a living suddenly see their lives ruined for corporate greed.

On the 16th September 2011 our company was advised by Bankwest that Taylor Woodings would be appointed as Investigative Accountants to ascertain the position of the company. They requested all company records etc. which we provided. I was currently in Melbourne at the time and provided documentation that I had with me to their Melbourne office. On the 20<sup>th</sup> of September I was advised that Taylor Woodings were now acting as receiver managers for the company. They attended the premises and took possession of the company's belongings and advised our employee that she would no longer be employed. They also disconnected our phone and internet services at this time, which effectively, closed the business.

On the 26<sup>th</sup> of September Taylor Woodings supplied a summary of their findings which was inaccurate and incorrect. I advised them of this in a phone conversation to them at around this time. If they had kept on the staff member for 1 week to assist in their findings they would have been in a much better position to understand to fully grasp the situation. I should also add that at no time did we have any communication from Bankwest as to what efforts were being taken to stabilize the business. On the 29<sup>th</sup> of September I was advised by Taylor Woodings that they were no longer acting in their capacity as receiver managers and accordingly to collect all documentation etc from their offices in Brisbane. Given the events of the above I believed it was in the best interest of all concerned to have Insolvency and Turnaround Solutions administer the company.

Our facility with Bankwest was a Business Edge Loan to the value of \$500k. I was the personal guarantor along with a company when the loan was originally taken out in 2008. We had always been up to date on our interest payments to Bankwest apart from 2 payments in July and August 2011. Bankwest have subsequently been granted orders to have me bankrupted.

The company was a Real Estate operation working on the Gold Coast. Primarily it was in sales and managing a rent roll at the time. The business was started in 2005 and was effectively a small family business. My role was mainly to assist in the operation as required. My wife and son were the hands on day to day running of the business. In late 2007 we had the opportunity to purchase an existing rent roll to add to the growing rent roll already in place.

As mentioned above, the facility was a Business Edge Loan to the value of \$500k which allowed us to draw down funds if required as long as we remained inside the covenants of the loan. This we did from time to time with the banks full knowledge. Due to the GFC and its impact on the real estate industry and in particular the Gold Coast it was dramatically hit hard and all sectors of the industry suffered severely. This was in no small part to the banks willingness to lend to anyone at the time. We would have had during 2008 at least 5 mortgage brokers/financiers a month come into the shop looking to get business with various kickbacks to ourselves. Fortunately we did not see this as part of the business we wished to be involved in.

With regards to the Banks actions at no stage during this period did they make contact with me. There was no discussion with them on what we were doing or how we were going to work through this situation. All contact had to be with Taylor Woodings. I did phone the bank after I had been advised that they were no longer using Taylor Woodings as receivers, to ask them how I was expected to pick up the pieces given their actions and was advised that this was my problem!

The impact on my life has been traumatic. I had appointed Piper Alderman as my solicitors to try and determine why they took the actions they did. I was advised by them that they were concerned as to the details and relationship between Bankwest and Taylor Woodings at the time. We tried to discover material in court but were continually refused access to the records which we sort. Given the cost involved and the lack of funds available to pursue this further I gave up.

My business life is probably over. I am 55 years old and facing bankruptcy. I have worked hard all my life and am now financially ruined. Both my wife and I have had to seek work away from Queensland to survive.

Yours Faithfully,

Shayne Martens