

13 May 2012

Economics References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Effects of the GFC on the Australian Banking Sector

Dear Senators

In the submission I will be out-lining events of the approval of loan facility which should never have been approved due to the high risk. The emotional turmoil I endured with Bankwest and their misleading titled " Relationship Manager" which does not stand up to the actual clarification or meaning Relationship Manager with the dealings I had prior to being placed in administration.

The first project of 10 units at 22 Parkes St Nambucca Heads was completed in October 2007, construction time being approximately 14 months. During the construction of the Parkes St project our only source of income was the rental income from the service station we owned at Bowra St Nambucca Heads. At this time there were no sales, nor any presales for the next development/project at Bowra St Nambucca Heads.

In February 2008 our Relationship Manager Coffs Harbour Mr X approved an additional loan facility, and with the confidence of Mr X for next project – 16 months later, we commenced construction of the Bowra St project, 9 units - 1 shop.

At that time;

1. No sales from previous project at 22 Parkes St Nambucca Heads – 4 townhouses – 6 units.
2. No pre sales for the next development/project at 6 Bowra St –consisting of 9 units – 1 shop.
3. No income – as the service station was demolished for Bowra Street development/project to commence.

In November 2008 we had our first sales for the Parkes St project.

In February 2009 there were only 2 units remaining to sell in the Parkes St project.

On the 2 February 2009 Mr Y who had replaced Mr X as our Relationship Manager Coffs Harbour and asked via email, for fortnightly sales reports. From that time we kept providing fortnightly sales reports.

On the 1 May 2009 I received our commercial advance statement showing default notice. Noted on the statement - *Your commercial advance facility has expired, default interest rates, as set out in your loan contract will apply as from 1 May 2009. If you would like more information about your loan, or any of Bankwest other flexible loan options please do not hesitate to contact Mr Y (Relationship Manager). Or call the Bankwest customer help centre 24 hours a day, 7 days a week, our experienced offices are happy to assist.* **See attached.**

In July 2009, my Husband left Nambucca Heads to work in Sydney, in the hope we would be able to make payments to help pay our debt, leaving me to care take and sell the units.

During July and August 2009 I made numerous phone calls trying to contact Mr Y Relationship Manager as I was greatly concerned with the default interest we were being charged since the 1 May 2009 and needing some form of direction what was happening. Our interest being charged was over \$58K a month. As stated in each statement received – please don't hesitate to contact Mr Y (Relationship Manager)

On the 26 August 2009 Mr Y requested the financial returns/DA for Bowra St which I personally delivered to Coffs Harbour the requested paperwork on Friday 28 August 2009.

On the 1 September 2009 I asked the Mr Y Relationship Manager via email that it had been 8 weeks since I last asked you regarding my concerns with the penalty interest, penalty interest rates charged, and that I was deeply concerned. **See attached**

On the 11 September 2009 I spoke to the Mr Y who advised on the meeting he had with his superiors that Bankwest will not lift the default interest or give any future direction. After this conversation I wrote to Mr Y in desperation. **See attached.**

On the 16 September 2009 I sent the fortnightly sales report, adhering to the commitment we had with the Mr Y Relationship Manager. With our family home now sold under the direction of Mr Y, I am now packing up our house. I had advised Mr Y Relationship Manager we were going to live in a unit in Bowra Street to continue selling the remaining units. This was later denied by Rodger Reidy Administrators on the 22 September 2009.

Then the bombshell, on the 22 September 2009, my husband calls me to advise we have been placed in administration, then a fax from Rodgers Reidy Administrators confirming this. After hearing this and in deep shock, I had to go to our real estate to advise Mrs Z of the change of bank account details for rental deposits. On leaving their office, Mrs Z came chasing after me down the street, embraced me, to advise that they had just received a fax advising them that we were placed in administration. I was shocked, embarrassed and a total mess. How could Bankwest do this to me, no warning, no consultation, no nothing, totally abandoned by the Bankwest, I am alone totally gutted.

The additional Loan facility that was approved by Bankwest should never have been approved re the following facts and the high risk:

1. No sales from 1st project - Parkes St – construction completed Oct 2007
2. No pre sales for 2nd development/project 9 Units/1 commercial– Bowra St which the loan was approved for- construction commenced February 2008. **16 months after the first facility was approved for In Parkes Street.**
3. No source of income

The way I was treated by Mr Y Relationship Manager – totally ignored, disregarded and never given any direction – the Relationship Manager title is misleading, inappropriate and a non-deserving title for a manager that does not adhere to the true meaning or ethics, Bankwest should be ashamed.

The conduct of the Miss Z, from Rodgers Reidy is recorded in my summary letter of 5 March 2011 revealing the desperation and much upset of my predicament as in the phone calls I made to her she never told me what was happening to my company, these people walk into your company and from then on just ignore you. I have attached some of my letters to Miss Z and to Middleton's solicitors.

Bankwest has finally destroyed me financially and emotionally, I am at a stage in my life where I should be looking forward to retirement, instead, I am in limbo with my future and in financial ruin.

My emotional state in writing to you is terribly upsetting for me and although the information I have provided above is only a brief outline of what happened there is much, much more. I can't continue to provide any more detail as this is re living the nightmare that Bankwest and Rodgers Reidy put me through.

Yours faithfully

Noeline Winton