

30th May 2012

Dear Senators and Honorable Members,

Re: Fitzroy Island Development

I wish to respectfully make a submission on the Bank West enquiry.

My wife and I invested \$1 million Australian dollars in a development in Jan 2007 with the view that this would help us with income for a year to go to Africa to help as missionary/aid work on a voluntary bases. We borrowed this money against our home and we were to receive a higher rate of interest than we paid on our mortgage and the difference was the income to help make this trip work as we didn't receive any pay while in Africa. We spent a year in very remote areas helping with medical/feeding programs and micro enterprise as my wife is a nurse and I have been in business most of my life. The development was meant to also help us in our retirement as extra income as we where to receive shares in the development.

When we returned to Australia approx a year later, the project was on track and going well. We went to a soft opening and there was a large amount of pre sales. The project was valued at between \$108 million to \$128 million. The bank, to the shock of everyone decided to foreclose and appointed receivers. The project was put up for sale on Christmas 2009 and sold early 2010. The timing of this sale wasn't good as it was impossible to arrange funding at that time of the year so it made it very hard to find any investors that could help rescue the development from the bank. I frantically called everyone I new to find the necessary capital but everyone was in holiday mode.

I thought something wasn't right and time has revealed that the sale of Bank West ,which I believe was owned by the bank of Scotland was then sold to the Commonwealth Bank. This had created the problem as from what I've heard there was an advantage for the bank to create doubtful debt. I have contacts high up in England in the bank industry and will be making further inquires into the sale.

I have spent 30 years in Business mainly in [redacted] and have owned a well respected 100 year old real estate company (third generation) and I am also a director of one of the largest commercial property owners company in the CBD of [redacted], so I am used to dealing with banks on a regular bases. Never have I seen a bank be so reckless with the client money and their own Money.

We now have the [redacted] to deal with and all the losses of property and stress that has created on top of a very hard few years as a result of the Bank West problem and loss of our money there. Losing that money created a lot of pressure at a time in our

life when we wanted to take it a little easier and help others. Instead, it has meant we have had some very stressful times coping financially and emotional with all the pressure of losing so much due to Bank West's mishandling of this matter and the sale of this development .

We are now left with a large mortgage on our home to service
while we try and find ways of recovering from this
Australian disaster.

I have never in all my time in business seen a bank deal with something so badly.

I am horrified how Bank West has conducted their business in Australia. I thought there would be more safe guards where the banks had to have social responsibility to not just look after their own interests but the interests of the Australian people and to protect the Australian peoples assets for future generations.

The bank with a valuation of over \$100 million sold the development for \$8 million (no, its not a typo... eight million dollars!) I feel sick even writing this now.

This Bank is responsible for wrecking a large number of peoples lives and I believe need to do the following:

- 1/ Apologies to everyone they have hurt
- 2/To publicly restore the reputation of the director's and developers of this project
- 2/ Put safe guards in that will never let this happen again
- 3/ restore all the peoples finance that the bank has so easily given away.

There is so much more I would like to say and my wife and I would be happy to appear in front of the Senate to answer any questions and help in any way we can.

We would like to thank Senator John Williams and other Senators and Honorable members for investigation into this matter.

Yours sincerely,