

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 – 17 February 2012

Question: AET 1235

Topic: Bankwest takeover

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Senator Waters asked:

Obviously the claims relate to revalued assets, changed loan-to-valuation ratios and apparently pushing customers into receivership with more haste than is prudent. It is claimed that apparently the motive is that at the time of the agreement the Commonwealth somehow had a right to be compensated for customers that went into receivership before a certain date. Assuming those claims are true, would that be a breach of the assurances that were given at the time the Bankwest takeover was approved?

Mr Murphy: I am not privy to what, if any, assurances were made. I think that the issues that are being raised, from what I have seen in the press, are raised by people who, I suppose, are involved in commercial property developments.

Senator Waters: I am not aware of the specific allegations.

Mr Murphy: Some of these comments are about commercial property developments in Queensland, where general economic conditions and market conditions are much tougher on these commercial property developments. That is perhaps one of the problems that have arisen. Whether it is peculiar to the bank and this particular takeover or whether it is just a matter of the commercial conditions operating at the present time is to be determined.

Senator Waters: Could you take on notice whether that would amount to a breach of any assurances that were given at the time, if any were given.

Mr Murphy: Yes.

Answer:

Consistent with past approvals, no conditions existed relating to these matters.