

Coronavirus: Nimble it and you might find moving on expensive

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To be without a job is one of the greatest insecurities a person can suffer in the precarious economic time that has befallen us.

But when the Reserve Bank has interest rates at a quarter of 1 per cent while payday lenders such as Nimble charge interest of up to 47.6 per cent and Wallet Wizard 47.8 per cent, and credit card rates are about and above 15 per cent, then there is understandably a belief that this is exploitation of those with nowhere to go.

We are all going to shoulder this burden to varying degrees but eyes must be turned to those most afflicted — first the sick, then pensioners, the unemployed and businesses falling of an economic cliff.

Like the person who buys all the toilet paper as if they were the only person on the planet with no consideration to others behind them at the checkout, the business that charges almost 48 per cent to those desperate for money is not a good citizen.

If we all act this way then we will fall as a community and the fruits of that exploitation will be zero because there will be only a smashed economy left. People who exploit others rely on the fact all others play by the rules — that the truck driver delivers the toilet paper to the supermarket, the shop attendants stack it on the shelves and the money is transferred from the bank to pay for it.

When a person benefits by overcharging the vulnerable they do not expect to be ripped off themselves. They want the police and the law to protect them and the government to provide for them — a government that is a representation of the same people they exploited. When they go to a hospital they will expect a doctor to be impartial in the allocation of resources to help them.

They would be terrified if the doctor said: “It is serious but I want \$20,000 a day to treat you.” If they had nowhere else to go they would have to pay or possibly die, and that would be a national nightmare.

Collectively, we have to pull together to pull through. Australia is doing a lot of this on borrowed money and the recent stimulus package, at some stage, has to be repaid with interest to those from whom we borrowed it. To pay it back we need others to be paying taxes. We need them to be honest in declaring income and we need an Australian economy where they can make money. An economy works best where it is fair so there is disposable income that circulates and spreads wealth.

If one decides they are not going to act in good faith, the economy can handle it. If all act in bad faith, the economy collapses. Similarly, if you are walking in rainforest and you collect a leech underneath your sock you can deal with it, but if you are covered in leeches you would bleed to death. That does not mean leeches are to be accepted; they should be removed with ticks and other parasites. So our economy is walking through a very dark rainforest and there are lots of parasites that want to take advantage of us. Not people who act out of fear, but those who take exceptional profits from fear and exploit the vulnerable on the rough dark path.

If the RBA has rates at a quarter of 1 per cent and the money market is at about 1 per cent then a 1500 per cent loading of that rate for credit cards that the unemployed are buying their groceries with, or the 3200 per cent mark-up of payday lenders on a 1.5 per cent cost of funds is showing that they are revellers in the COVID-19 world.

In this time of COVID-19 we doubt because of observation how our economy works. We now ask questions never posed before in our lifetime and challenge what we once accepted.

One of the first things the federal government has to address is credit card and payday lender interest rates — the same federal government that looks after those who’ve just become unemployed and are now trying to pay for their groceries.

Barnaby Joyce is the member for New England.

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