



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

REGULATIONS AND DETERMINATIONS

**Corporations Amendment (Streamlining
Future of Financial Advice) Regulation 2014**

Disallowance

SPEECH

Wednesday, 19 November 2014

BY AUTHORITY OF THE SENATE

SPEECH

<p>Date Wednesday, 19 November 2014</p> <p>Page 68</p> <p>Questioner</p> <p>Speaker Lambie, Sen Jacqui</p>	<p>Source Senate</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Senator LAMBIE (Tasmania) (16:29): In rising to support the motion before the Senate to disallow the Corporations Amendment (Streamlining of Future of Financial Advice) Regulation 2014, I would firstly like to apologize to my Tasmanians, especially those who have reached the stage in life when, having worked hard and saved every cent, they have created a nest egg that they would like to invest for their future and their family's future. I have let you down and I am sorry. In the past, my vote in the Senate helped create the situation where today the laws of our country do not provide proper protection for investment funds.

After much consultation with Tasmanians, people bodies like the National Seniors, and consumer advocates like Choice, I have changed my view and now acknowledge that the laws of Australia as they stand do not guarantee that the best interests of investors are put before the profits of the big end of town. A Choice briefing on the Liberal government's FoFA laws says:

The Bill and associated Regulation will result in a significant reduction of protections for consumers seeking financial advice. Conflicted or poor advice, much of this linked to ongoing financial advice scandals, have caused consumers significant detriment with many losing life-savings and homes.

Today Choice released a statement which said:

We applaud the stand of Senators who have decided to put the interests of consumers ahead of the interests of big business

The current regulations leave mum-and-dad investors open to being ripped off by unscrupulous financial advisers who, we all know, receive kickbacks and secret commissions to sell unsound and risky financial products or schemes. This is not a hypothetical or made-up allegation. Unfortunately, successive Australian governments have failed to protect our investors. Ordinary Australians, like members of our ADF, nurses, police officers, public servants and small business owners, will benefit from a successful disallowance motion today.

Today I am proud to say that I am going to vote with like-minded senators—the coalition of common sense

—to fix an injustice that I helped create just a few months ago. Today, now fully aware of the facts, I will vote according to my conscience and in the best interests of my Tasmanians. I will not this time be dictated to or bullied into voting to protect the big end of town. Today abusive threats to kick me out of the Palmer United Party will not interfere with my free and fair performance as a member of this parliament.

When average Australians seek financial advice from the big financial institutions, it becomes a David and Goliath battle—and in this battle David is no longer armed with even a slingshot. All I am doing today is arming the average Australian investor with rights under the law to give them a fair chance in that unfair battle with Australia's financial Goliaths.

At the heart of this FoFA battle is a case of human rights—the right of the weak to be treated fairly by the powerful. The history of humankind has been characterised by battles between the weak and the powerful—and more often than not we get the predictable outcome of the powerful winning. AC Grayling, the noted British academic, sums up the human situation in his book *Towards the Light*, in which he writes:

... for the strong do what they can and the weak must suffer what they must.

That is not the Australian way, that is not the Tasmanian way and that is not my way. Our nation, our culture, has evolved to take care of the weak, the sick and the elderly.

Australian back the underdog in a fight. We fight—and I fight—for what is right and just, not for what is powerful. While it is not a sin to be powerful, it is a sin to be powerful and to abuse that power. It is a sin to pander and suck up to power. It is a sin to turn a blind eye to power's abuse. It is a sin to be an accomplice to power's abuse. That is what is at stake in this matter, this motion to disallow the government's FoFA regulations. The big end of town, the billionaires, the rich and powerful, have been allowed by successive governments to abuse their powers.

There are many victims of bad financial advice. There are many victims of dodgy investment schemes

peddled and facilitated by Australia's rich and powerful financial institutions. The voices of those victims will be heard in this chamber and those voices will be given equal weight, and will be considered to have equal merit, as those of the rich and powerful.

I want to briefly address the sly, personal attack that the Leader of the Palmer United Party has waged against me in public in recent times. I understand that he is under pressure because of bad political decisions and legal action that has been taken against him. However, that does not give him the right to spread hurtful rumours about me in an effort to intimidate—or to interfere with the free and fair performance of a member of this Senate who represents Tasmania. Putting aside the personal hurt these actions cause, these continual outbursts have become a distraction that takes the focus away from the real issues, the issues Tasmanians care about.

Tasmanians care about a fair pay deal for the men and women of the Australian Defence Force and about better national security. They care about protection for investors from dodgy financial advisers, who—if the Liberal government have their way and get to keep these lax FoFA regulations—will still be able to receive secret kickbacks from the big end of town. Tasmanians care about protection for the 10,000 direct and indirect Tasmanian jobs at risk from the unfair mainland RET scheme—which is nothing more than a hidden tax and which, for no good reason, increases the cost of living for our pensioners, families and businesses. I will always vote as my conscience dictates and in the best interests of all Tasmanians. I will not be told how to vote by anyone. My only boss is the people of Tasmania. It is their approval I seek; it is their opinion that counts for me.

I will vote for the disallowance of the FoFA regulations. This action will protect the weak—ordinary Australian investors—against the powerful—Australia's big banks and large investment companies, who have a proven record of recklessness and irresponsible behaviour. I will not allow the Liberal Party and their supporters to wind back consumer protection when it has been shown that the financial advice industry currently acts in a scandalous manner.