



Senator the Hon. Ian Macdonald

Liberal - Queensland

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Opposition Spokesman on Northern Australia - Shadow Parliamentary Secretary for the North

Mr David Hardman
Strategy First Financial Planning Pty Ltd
PO Box 116
BROOKVALE BUSINESS CENTRE NSW 2100

Dear Mr Hardman

Thank you for your email of 27 February 2009 regarding the omission of the involvement of the Banks in the collapse of Storm Financial in the Terms of Reference of the Parliamentary Inquiry into Corporations and Financial Services.

I am pleased to advise that, on 16 March 2009, I was successful in gaining the support of the Senate to include investigation into the involvement of the banking and finance industry by the inquiry already instituted by the Parliamentary Joint Committee on Corporations and Financial Services.

I enclose a copy of my media release for your information.

The Hansard record of the Senate's decision may be found at:
<http://www.aph.gov.au/hansard/senate/dailys/ds160309.pdf> (page 44)

You may wish to make a submission to the Inquiry and may consider appearing as a witness. Information about the Parliamentary Joint Committee Inquiry into Financial Products and Services in Australia (including how to make a submission) may be found at:

http://www.aph.gov.au/senate/committee/corporations_ctte/fps/tor.htm

In addition, following my questioning at the Senate Estimates hearings on Wednesday 25 February, it became apparent that the Australian Securities and Investments Commission (ASIC) would be keen for individuals to contact them with the details of their experiences in dealing with Storm Financial Pty Ltd and their margin lenders. Your clients may wish to assist ASIC with their investigation into the Storm situation, its collapse and the involvement of the banks.

Whilst they do not want to give false hope to those who have lost their life savings (and more), your clients' information may provide useful insight to assist ASIC in determining the extent of losses and whether or not they will become involved in compensation claims.

In the first instance your clients can contact ASIC on 1300 300 630 for the cost of a local call to register your contact details.

Thank you again for writing to me on this matter which has been personally devastating for your Storm clients.

Yours sincerely

Ian Macdonald

27 March 2009



Senator the Hon Ian Macdonald
Shadow Parliamentary Secretary for Northern Australia
Liberal Senator for Queensland

MEDIA RELEASE

BANKS NOW TO BE INCLUDED IN STORM INQUIRY

The Senate today insisted on adding the conduct of banks into an inquiry set up by the Federal Parliament to investigate the collapse of Storm Financial.

Queensland Liberal Senator Ian Macdonald, moved the motion which was adopted by the Senate which will add the following Term of Reference to an inquiry already instituted by the Parliamentary Joint Committee on Corporations & Financial Services.

The committee will investigate the involvement of the banking and finance industry in providing finance for investors in and through Storm Financial, Opes Prime and other similar businesses, and the practices of banks and other financial institutions in relation to margin lending associated with those businesses.

“The Coalition was concerned that original terms of reference adopted by the Committee looked at Storm Financial and other financial advisors but didn’t give the Committee the necessary powers to investigate the role of the banks in some of the heartbreaking situations which have followed Storm’s collapse.”

“It is important that all aspects of the Storm financial collapse are investigated and this requires an investigation not only into the owners of Storm Financial but also the banks who in many cases gave margin loans on what appears to be ‘unusual’ applications.”

“The role of the banks must be fully investigated and I am delighted that the Senate has agreed with this extension of inquiry to enable the banks role to be fully investigated.”

“Many people have suffered badly and have had their lives thrown into turmoil by the collapse of Storm Financial.”

“It is essential that all aspects of the Storm collapse be fully investigated by a Parliamentary Committee and this addition to the Terms of Reference will ensure that occurs.”

ENDS

16 March 2009

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