

8th August 2011

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

Inquiry into the collapse of Trio Capital and any other related matters

The Australian Government has encouraged people to use tax agents to prepare their yearly tax returns. We had been using the one tax agent- for over 20 years.

On paper his qualifications suggest he is adequately educated and possesses the skills to perform his accounting duties, indeed advertisements extolling the virtues of CPAs and members of the Financial Planning Association (FPA) kept reinforcing that this was so. When one researches CPAs we are told that they possess a university degree and are continually updating their knowledge through training programs to satisfy the standards as defined in ASIC Regulatory Guide 146 Licensing Training of Financial Product Advisers (RG146) in order to provide financial planning advice.

The Australian Federal Government has given us the impression for several decades that taxing the working population will not be adequate to pay the “baby boomers” old age pensions and that we should invest in superannuation. We did. One of my policies matured when I turned 55 years of age and we went to our accountant - for advice.

The advice was that we should open the “----- Family Superannuation Fund” to be managed (at a cost) by 's Company. We were not given any alternatives which in hind sight would have been less costly. The fact that was a CPA, an FPA member and we had been his customers for over 20 years caused us to trust that his advice was sound. He set up an investment in Astarra.

I am not an expert in accountancy and financial planning. I paid so called professional experts for their advice and (naively) expect it to be honest and correct.

We are in the process of selling our house and have lost our life's savings. This is the ongoing price we are paying for taking advice from a CPA and the inaction of government bodies which should exist to protect investors. Our wealth, dreams and health have been destroyed.

Even though 's Financial Planning Services division has gone bankrupt and I am told his financial planning licence has been suspended I note that at 11.10 am 2nd August 2011 Mr CPA FPS is still listed on the CPA Australian website as a financial planner.

APRA sanctioned the establishment of the Astarra funds and issued an Australian Financial Services Licence 238000 and was thereafter required to regulate that entity. We feel that the inaction of the Australian Government contributed directly to the ---- Family's Superannuation losses.

On Friday 22nd July when sentencing one of the Trio fraudsters His Honour, Mr Justice Garling in the Supreme Court of NSW commented on the lack of entitlement of self-managed super funds to compensation for losses as opposed to compensation entitlements for members of regulated super funds. His Honour's words were "I understand there is a legislative difference; I fail to see the difference in principle."

Surely this is a case of "distinction without a difference" and under the Financial Management Act 1997 compensation should be paid to those in self-managed super funds as an "Act of Grace" pursuant to Section 33 of this Act.

I respectfully make this submission to the Committee.