

Mr B Ripoll
Joint Committee on Corporations and financial Services
Parliament House
Canberra 2601

Dear Sir,

As a 92 year old independent investor, I wish to be of some assistance to you as you consider the effects of the current financial planning industry on Australian investors.

I have read articles in the Sydney Morning Herald written concerning the financial planning industry and refer you to them. See Sydney Morning Herald 30 May 2011, 31 May 2011, 6 June 2011, 2-3 July 2011, 4 July 2011 and 5 July 2011.

1. The financial planning industry should be not receive trailing commissions, success, volume, undisclosed or corrupt payments, fees or charges. Financial planners' remuneration should be an hourly fee rate in accordance with their qualifications and experience as in the accounting and legal professions.
2. Promoting a particular product for a financial planner's benefit should be forbidden.
3. Heavy penalties (both financial and loss of registration) for wrong advice by Financial planners should be implemented. Financial planners could insure against any client loss caused by their bad advice. The insurance cover would then become part of the Financial planners audit process.
4. Government bodies charged with policing financial dealings should lift their standards and not delay corrective action as soon as they hear of any misdemeanor.
5. Financial planners and all in the loop in future financial dealings have to be constrained by statute to put their interests on an equal footing with their clients.

A copy of your draft would be appreciated and I wish you every success in your efforts on behalf of all Australians.

Yours faithfully,

John M Clark