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Sent: Thursday, 16 July 2009 4:39 PM
To: Economics, Committee (SEN)
Cc: senator.johston@aph.gov.au
Subject: Australian Credit Licence Senate Enquiry
Submission Due date 17th July 2009
Attachments: Client Needs Review1.pdf; DUTY OF CARE
SENATE.doc; AAMC corporate brochure artwork Jul09.pdf

We take this opportunity to submit to the enquiry some ideas that we feel will help the whole Financial Services Industry. I have taken the liberty of attaching our Corporate Profile to give credence to our submission.

As a Registered Training Organisation we see too regularly the lack of interest shown by Finance/ Mortgage Brokers, Lenders and Credit Providers in the area of Risk Management Cover for the people arranging loans for whatever reason. The recent tragedy in Victoria highlighted this fact when only a few of those unfortunate victims had really only basic insurance protection. Industry figures show that only 14% of the population has life cover and 6% has income replacement.

Courts in Australia deem Finance Brokers to be professional and they can/should be found negligent under the Duty of Care if they do not advise their clients of the ramifications of financial hardship caused by illness, accident or death. AAMC insists all students complete a Client Needs Review (see attached) when seeking their educational qualifications. This form of data collection has had wide acceptance from our students, clients and industry aggregators alike. However without the required legislative laws and compliance with those laws it is difficult to maintain the standard expected of a professional workforce.

We firmly believe that to allow the client the freedom of opportunity to have all the information presented prior to committing to a loan transaction should be mandatory under the new legislation. All too often we see "Professionals" complete only part of their job and because of that people may pay the price for not being correctly advised.

With this new legislation we have the opportunity to correct a lot of the "she'll be right mate" attitudes of the past. I have attached an article that is waiting to be published in a financial magazine. We feel it shows the depth of feeling we have for the industry, but more importantly the need to educate ourselves and become truly professional in our chosen fields.

This submission is not advocating that risk products be marketed by Finance Brokers who are not qualified to do so, only that the clients are aware of their availability and acknowledge that fact.

From our vantage point we are now seeing Finance Brokers wishing to become Financial Planners and Financial Planners wishing to become Finance Brokers. The goal posts are moving and provided the correct, reasonable legislative requirements are put in place everyone should benefit.

I would respectfully ask that the contents of this submission are accepted in the manner in which they are meant.

Your comments would be greatly appreciated.

Yours faithfully

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