



# **Media Release**

## **Senator Mathias Cormann**

### ***Shadow Assistant Treasurer***

### ***Shadow Minister for Financial Services and Superannuation***

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#### **Why does Bill Shorten still not act on Ripoll Inquiry recommendations?**

If the Prime Minister wanted to make some progress on financial services reform any time soon, she would replace Bill Shorten with Bernie Ripoll as Minister for Financial Services.

Two years on from the release of the Ripoll Inquiry Report, Bill Shorten is still incapable of implementing its recommendations to improve the regulatory framework for financial products and services in Australia.

The Ripoll Inquiry recommendations had bi-partisan support.

The single biggest reform recommended by the Ripoll Inquiry, the introduction of a statutory best interest duty for financial advisers, has mysteriously disappeared from the legislation Bill Shorten introduced into Parliament today.

It had been part of the draft legislation Bill Shorten released as recently as August 2011.

Instead he continues to press ahead with a completely unrelated vested interest agenda against small business financial advisers, egged on by his friends in the Industry Super Fund Network.

Opt-In was never part of the Ripoll Inquiry recommendations, which conducted a thorough inquiry into financial products and services in the wake of the Storm Financial collapse.

The truth is that Bill Shorten is conflicted when it comes to pursuing regulatory changes to the financial services industry.

The Coalition supports genuine reforms of the financial services industry which increase transparency, efficiency, competition and consumer choice.

That is why we have consistently supported the introduction of a statutory best interests' duty.

We do not support changes, which rather than make the current regulatory framework for financial services better, just makes it more complex and more expensive for everyone.

That's why the Coalition will not support Bill Shorten's push to force Australians to re-sign contracts with their financial advisers on a regular basis.

If Bill Shorten had acted on the Ripoll recommendation for the introduction of a statutory best interest duty in this legislation, with appropriate transparency of fees charged and an ongoing capacity for clients of financial advisers to opt out of any financial advice relationship, there would be adequate consumer protection.

There would be no need to impose the additional red tape Labor wants to impose on financial advice small businesses and on consumers.

Bill Shorten's handling of the FOFA changes has been nothing short of incompetent. Through his mishandling of FOFA he has created significant unnecessary uncertainty across the industry.

Labor's proposals to increase ASIC powers require proper scrutiny.

With legislation like this the devil is inevitably in the detail.

The Coalition will seek to refer this legislation to an appropriate Parliamentary inquiry to give a voice to all relevant stakeholders about its implications for consumers and small business.

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