

TO : Senator Sherry.
CC : The Hon. Kevin Rudd, Leader of the Opposition
CC : The Hon. Wayne Swan, Shadow Treasurer

Subject : The Westpoint Problem

Date : December 12, 2006

Dear Senator Sherry,

I thank you for the questions you have asked in Parliament over many years.

Perhaps the attached copy of an e-mail I received today from a Westpoint Investors Group member will give you some understanding of the personal depth of the Westpoint tragedy across Australia.

Rod and his wife invested in Westpoint with the aim of obtaining a better home in which to bring up their eight children. The collapse of Westpoint resulted in the loss of his home, a forced move to a caravan park, and the farming out of two their children to relatives because of a lack of space.

Perhaps his case, only one of the many I have to deal with where Westpoint Investors have lost their home, will give you some understanding of why I seem so outspoken and aggressive toward ASIC and the Government.

It appalls me the vast majority of parliamentarians do not even bother to read the documents I send them. However, I will continue my practice in the hope I can jog sufficient of them into a recollection of the human values of justice and compassion they once possessed.

The Westpoint tragedy should not be the subject of political point scoring. The repair of the damage it has caused demands the immediate application of appropriate action. In addition, this action should include the implementation of a plan to see that it never happens again.

Many of the press to whom I have spoken feel the majority of the blame lies with the planners. I too feel planners have a lot to answer for in that they failed to assess the risks properly. We all know many of them were ex-insurance-salesman with little financial expertise. However, whatever their failings, ASIC held the power of removing the livelihood of those holding AFSL licences at all times. They did what they did because ASIC had no monitoring process in place to prevent them. Further, ASIC, which gave in writing to the Westpoint lawyers a document approving an illegal managed Investment Scheme, failed at every opportunity to protect investors' monies. The problem with the evidence from the public domain in making such a claim is not its paucity, but choosing the most relevant material from the available avalanche to illustrate ASIC's failures.

The incumbent government, whose behaviour indicates they lack any interest in protecting financial consumers, with poor legislation aided ASIC in their reign of error. Worse, now they do everything in their power to suppress the truth of past events. The reply from the Assistant Treasurer's office is sufficient evidence to which they will go to avoid answering any questions that might reflect badly upon them. Today, in the absence of any parliamentarians giving me any advice they would confront the Treasurer with the aim of directing the Assistant Treasurer to reply to my document, I sent the attached document to the Prime Minister.

Rod's heart-wrenching cry for help is a little stronger than many I receive from Westpoint Investors who have lost their homes. I find great difficulty providing comfort, or hope, to all of them who write to me. Having received no training as a social worker, his additional burden of anguish, in addition to my own personal problems because of the Westpoint catastrophe, causes me sleepless nights.

With the evidence in the public domain, this matter deserves a much wider audience than parliamentary debates. The vast majority of Westpoint Investors, who possess virtually no financial expertise, come the blue-collar section of the community and are therefor natural Labor supporters. Although I have made the new Labor party leader a recipient of this document, I urge you to ask him to make an immediate public statement on the Westpoint tragedy and give those Westpoint investors in desperate need of some hope over Christmas.

I thank you in anticipation of what you will do.

Regards, Graham MacAulay

President, Westpoint Investors Group

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