



Australian Citizens Party

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MEDIA RELEASE

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Victory in fight for Senate inquiry into Sterling First and ASIC—now let's make it work!

Following more than two years of mental anguish which claimed 16 lives, the elderly Sterling First tenants who are victims of ASIC have succeeded in achieving their first goal of a Senate inquiry. On Wednesday this week, 20 October, the Labor Party moved a motion from WA Labor Senator Louise Pratt for an inquiry, which passed unopposed.

Senator Pratt's motion read:

That the following matter be referred to the Economics References Committee for inquiry and report by 1 December 2021:

Sterling Income Trust, with particular reference to:

- (a) the Australian Securities and Investments Commission's oversight of the Sterling Income Trust;*
- (b) the need for legislative and regulatory reform to prevent such losses in the future;*
- (c) access to justice and redress for victims of the Sterling Income Trust Collapse;*
- (d) the novelty of the products of the Sterling Income Trust;*
- (e) why the scheme collapsed and where the money went; and*
- (f) any related matters.*

This is a great initial victory, which again proves the power of citizens engaging directly with their elected representatives. The 140 or so elderly pensioners and retirees whom ASIC allowed Sterling First to prey on, who lost everything when Sterling collapsed in 2019, have desperately fought for their survival for two years. In that time, they have been assisted by Banking and Finance Consumers Support Association founder Denise Brailey, who has fought ASIC's corruption for more than 20 years. Earlier this year the Citizens Party investigated their case in a series of articles in the *Australian Alert Service*, and immediately recognised the Sterling collapse as an example of the ongoing systemic failings of a regulator, ASIC, which the government deliberately keeps weak and ineffective so it doesn't get in the way of unbridled profiteering by the banks. The Citizens Party started supporting the fight by the Sterling tenants and Denise Brailey for an inquiry, which ramped up dramatically in the last two months. Now, following floods of phone calls to Senators demanding an inquiry, and two public protest rallies in Perth involving dozens of elderly people, some on walking frames and in wheelchairs, the Senate has heard their demands and established an inquiry.

Make the inquiry work

Now the fight is to make this inquiry work! The first challenge is to ensure the terms of reference (ToR) are not used as the excuse to cover up ASIC's failings by excluding half of the victims of this scheme. This is a risk because the ToR only mentions Sterling Income Trust, not Silverlink. Sterling Income Trust was the first name of the scheme that in 2015 started signing up retirees to pre-pay their rent for the rest of their lives. In 2017, by which time Sterling had accumulated \$6 million from its elderly clients, ASIC finally responded to multiple complaints and put a stop order on Sterling Income Trust. However, ASIC did nothing when the same Sterling directors simply continued their scheme under the name Silverlink, and extracted \$11 million more from elderly targets until their scheme collapsed in 2019; yet ASIC denies this was its fault. The omission of Silverlink from the ToR is a glaring oversight, but terms a), e) and f) provide the necessary scope for victims of Silverlink to also make submissions and demand justice.

Second, a new element in the case has emerged this week, in the form of a secret government review of ASIC's handling of Sterling First that the Minister for Superannuation, Financial Services and the Digital Economy, the infamous "Senator for Bankers" Jane Hume, has reportedly sat on since early 2020. On 21 October, the Senate also supported a second motion by Senator Louise Pratt for the Order for Production of Documents, requiring Senator Hume to hand over the report. Given Senator Hume has suppressed this report for so long, its contents may be an explosive addition to the evidence about ASIC's failings for the inquiry to consider. Senator Hume must hand over this review immediately, and not drag it out to minimise the time for it to be scrutinised.

Third, it is imperative that the inquiry hold public hearings, to enable victims to tell their stories, which

the government and all Australians must hear, to understand that despite the banking royal commission, ASIC is still assisting the financial predators, not protecting their prey. The inquiry must also call Denise Brailey, who knows more about ASIC than any other Australian, to testify on her evidence of criminality in this case, which she has investigated in depth.

All ASIC victims make a submission

Currently, this inquiry is constituted with a quick turn-around, so it is vital that all victims start writing their submissions immediately. All victims means not just Sterling First victims and their families, but *all* victims of ASIC, thousands of whom are still languishing, their cases unresolved, after many years. If you are an ASIC victim, term b), “the need for legislative and regulatory reform to prevent such losses in the future”, provides an excellent opportunity for you to make a submission to this inquiry to remind Parliament that Sterling First is just the tip of the iceberg of ASIC’s massive systemic failings that have allowed financial predators to victimise Australians for many years. The Citizens Party’s *Australian Alert Service* has exposed the intentional and systemic nature of ASIC’s failings in a series of recent articles: “[ASIC overhaul requires paradigm shift](#)”; and “[Australia’s financial system was designed for plunder](#)”.

All Sterling First/Silverlink victims, and all ASIC victims generally, should immediately start writing your submissions, to email to the inquiry within a week or so. Tell your story, and emphasise your experience with ASIC. The deadline for submissions is not yet known, but you can begin submitting immediately. The easiest way is to email to the committee email address, below. If you have any questions, or require any assistance finalising your submission, please contact the Citizens Party. Address your submission to:

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[Click here to find out more about Sterling First and its victims.](#)