

Denise Brailey - Citizens Party Senate Candidate for Western Australia

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Australian Story “Saviour on a Shoestring”

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Over the years, I have become utterly disillusioned by dealing with the major parties, whilst continually begging for change to regulatory oversight and government policies, designed to have corporate agents looking the other way. For more than 30 years I have written letters and lobbied for reforms in an effort to bring justice to retirees and pensioners, farmers and other bank victims, in all states of Australia. Using my education as a criminologist, I have exposed and fought financial crime so as to realise better representation to Parliament for consumers of financial products and services.

A few years ago, I started listening to key issues raised by the Australian Citizen Party, covering many critically important topics to reform the financial system. The ACP's initiatives were very similar to how I viewed these same issues.

Three years ago, I held a rally for 180 elderly persons who were cruelly tricked into a terrible Ponzi scam, engineered in Western Australia. The “Sterling First” scandal hit the headlines telling the story of innocent citizens being coaxed into selling their own homes, signing WA Tenancy Leases, paying for 40-year rent in advance, and moving into brand new purpose-built mini homes on mini blocks of land near the beach at Mandurah.

These innocent Australians who had worked hard all their lives, raised their children in modest homes, were coaxed into down-sizing, with promises the money from the sale would be then placed in a *trust*. Not mentioned to the victims of this scam: the so-called trust was a bank account run by known Ponzi player directors, who frequented the halls of the Australian Securities and Investment Commission (ASIC). Lawyers for Consumer Protection under the WA Department of Commerce (later renamed “DMIRs”) assisted in overseeing the known rogues to set up the wording in the Leases so they would fall outside the protection afforded to tenants in WA, and outside the provisions of s27 A of the *Residential Tenancy Act*. The Real Estate Institute of WA (REIWA) logo was attached to this masterpiece of manipulation.

The rent-for-life 40-year leases lasted just three years. The Ponzi collapsed. Landlords had to take elderly tenants to court to get possession of their “forever” home. Over \$18 million had been stolen, or as the directors suggested, it disappeared down a black hole.

The Sterling First scandal dragged on, with State and Federal regulators blaming each other with no respect paid to the elderly victims and their suffering over three unbearable years, as each faced inevitable eviction.

I began informing the Citizens Party of the scandal and the plight of the victims who had paid an average \$200,000 - \$380,000 per family to stay in their forever home. I knew from my past endeavours these paths to justice for others are not easy commitments. Within months ACP had turned 170 elderly demoralised and desperate people into serious campaigners!

As a resolute campaigner over many years, I have endeavoured to expose criminality in the Australian banking system—at the highest level. Activism by ordinary Australians has often put pressure on reluctant State and Federal governments to lift their game and encourage them to see why it is in their own interest to deliver acceptable and equitable outcomes for us all.

In the 1990s I observed a shocking lack of regulatory activity in bringing known white-collar criminals to justice. The paucity of fairness in dealing with consumer complaints led me to set up the Banking and Finance Consumers Support Association (Inc.) as a membership-based club.

Members of the BFCSA benefited enormously from investigations to expose the criminals running and collapsing a variety of Ponzi-structured scams. Later, mortgages issued by the major banks also revealed disturbing trends of unaffordable lending. We made information regarding the dangers of these financial products readily available, to warn future consumers not to become involved in these products.

I would like to think my work over the years has provided justice for some groups of victims who have suffered heart-breaking losses. In addition, much-needed reform in both legal interpretations, introducing legislative change and by encouraging better policy outcomes in the implementation of certain key pieces of consumer protection legislation.

The astronomical profits of our banking industry are generated through housing and mortgages. Therefore, the propensity for mortgages (financial products) to be sold, manipulated, and badly managed, can pose significant concerns for the Australian economy. What happens when snared “borrowers” realise their own income cannot service the loan, and tenants cannot afford the property rental? We have all seen downturns, but what happens when landlords can no longer service their mortgage loans? (We are about to witness another such crisis as interest rates begin to rise.)

Through the work of the BFCSA, we collected over 800,000 documents from consumers who have since passed away, leaving us in no doubt that banks were loading ordinary people with impossible debt, leading to the loss of their homes. Elderly people especially have a very hard time facing homelessness, and the damage cannot be underestimated. Such losses cannot be remedied without significant parliamentary pressure and constant lobbying.

Production of facts, aided by proof of criminal activity within the banking and finance sector over many years, gives us all an insight into what type and quantity of evidence is being subverted. I have examined the bizarre reasoning for policies that were designed to conceal the truth about what was really happening to financial victims, behind the scenes. How can any consumer make an informed decision if fed a plethora of false assumptions and general information?

The Australian Citizens Party has been collaborating with me and have demonstrated a keen interest in my work, as I have in theirs, for several years. Their expertise was critical for the Sterling First victims, and we combined all our efforts and talents to assist these tenants. Almost immediately our efforts brought about a Senate Inquiry into Sterling. Key critical information suddenly appeared showing State and Federal Governments had been busy since 2015, covering up this scandal.

We are determined to set the record straight on many of these serious issues and are committed to genuine and far-reaching reform of the banking and financial sector, hence my decision to stand as a Senate candidate for the Australian Citizens Party.

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DENISE BRAILEY – BRIEF BIOGRAPHY

Initially, in 1993, Denise Brailey commenced a series of investigations into property scams. However, she realized a long-held dream of a formal education, and commenced studies at the age of 45.

During this journey, she assisted a number of consumers to recover losses totalling \$1 million. During this time she continued her studies achieving:

1996 – 1998 Advanced Diploma of Accountancy from TAFE.

1997 – 2002 Attended Murdoch University and completed three degrees:

- Bachelor of Arts – Criminology.
- Bachelor of Arts – Political Science, International Studies.
- Bachelor of Legal Studies.

In 1997 Ms Brailey commenced organizational support for disadvantaged consumers by forming the ***Real Estate Consumer Association (Inc)*** and actively assisted in the recovery of funds lost by using RECA (Inc) as her prime vehicle.

In 1998 she became aware of the existence of a scam which affected over 3000 mainly retirees whose average losses were around \$100,000. Missing funds escalated to over \$120 million, in what became known as the “Finance Brokers Scandal” in Western Australia. Her actions were responsible for six State inquiries including a Royal Commission. Ms Brailey obtained the support of IMF (Australia) Ltd in funding a case against the Finance Brokers Supervisory Board which eventually proved successful and resulted in nearly \$90 million in compensation and recovery dollars being paid to the affected investors by the WA State Government in 2007.

During 2000, she volunteered to travel to Tasmania and Queensland to lobby for consumers who had lost money in Solicitor Mortgage Scams in circumstances similar to the WA Finance Brokers Scandal and her efforts were rewarded by the setting up of a Senate Inquiry into the Tasmanian Law Society. Millions of dollars were recovered for those people who had asked for assistance via emails.

In 2004 and with the assistance of Neil Jenman she organised buses to Canberra and taught consumers to stand up for their own rights. She organised simultaneous rallies outside the offices of the regulators in every capital city and publicly suggested that “there was little or no consumer protection in Australia with regard to financial products and services.” People began to listen. During the next few years, Federal and State legislation was changed for the better as a result of her dedication and passion into consumerism.

Over 11 Inquiries have been held in several Parliaments throughout Australia due to Ms Brailey’s continued efforts, including:

Five State based inquiries:

- Les Smith Inquiry into Real Estate Agents Board WA **(1997)**
- Gunning Inquiry into all four Boards and the Department of Fair Trading WA **(1999)**
- Travers Parliamentary Inquiry into Finance Brokers WA **(2000)**

- Temby Royal Commission into Finance Brokers WA **(2001)**
- Gallop Review into Missing Documents **(2002)**

And in addition there have been the following Federal Inquiries:

- Senate Inquiry into Tasmanian Law Society Tas **(2000)**
- Ministerial Council on Consumer Affairs Inquiry into Property Spruikers **(2003)**
- Senate Inquiry into Property Investment Advice **(2005)**
- ASIC Review into its own procedures and complaint handling process **(2007)**
- Joint Inquiry into Banking and Competition **(2010)**

In October 2008 Denise volunteered her services as a guide and mentor for a group of investors who had been caught up in a further outbreak of Mortgage Broking scams. Ms Brailey's investigations have led specifically to the discovery of crucial evidence implicating Australian Banks in the previously flagged (2003) Loan Application Fraud.

Her actions have also been responsible for six State inquiries including a Royal Commission. Denise successfully obtained the support of IMF (Australia) Ltd in funding a case against the Finance Brokers Supervisory Board which eventually proved successful and resulted in nearly \$90 million in compensation and recovery dollars being paid to the affected investors by the WA State Government in 2007.

Not only the above - Denise's story has also been the feature of *Australian Story* "Saviour on a Shoestring" which aired on 2nd November 2000 ([See video above](#)), the introduction being:

"Denise Brailey is a former model and single mum living on a housing commission estate. Like Brokovich she stumbled across wrongdoing and teamed up with a lawyer to seek justice for the victims. The consequences are still ricocheting around W.A. in the so called "Finance Broking Scandal" —one of W.A.'s biggest fraud investigations bringing with it serious embarrassment for the Court Government. Seven thousand mainly elderly people lost their life savings in shonky real estate investment schemes. One man has already been jailed for ten years and charges are being pressed against another 16 people. Australian Story looks at the remarkable woman who set all of this in train - and who still runs her consumers' group from her tiny housing commission flat, single-handedly fielding hundreds of phone calls and enquiries every week."

In addition to *Australian Story*, Denise has featured in numerous interviews and presentations with specialist groups explaining the mechanics of Mortgage Fraud, which can be viewed online. In 2022, at age 73, Denise Brailey still continues to lobby for regulatory reforms in the area of enforcement of law. Some of the legislative provisions and safeguards which could have prevented these losses have been available to the regulators for the past two decades.