



AUSTRALIAN
INVESTORS'
ASSOCIATION

Media Release

For Immediate Release

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Australian Investors' Association

Header: We're in the Money

The FPA has announced (23 August 05) it is to embark on an advertising campaign promoting the value of professional advice. Funding to start the advertising campaign has been committed by a number of FPA firms owned by banks, Insurance companies and funds managers.

Vale unbiased advice!

In the interests of full disclosure by the FPA, the AIA believes each advertisement should display prominently the names of all companies that have contributed to the funding of the advertising campaign so that the fundamental principle of "acting in the clients best interest" can be tested.

Make no mistake. It is the investor that eventually pays for these advertisements. If the fund managers did not contribute the money saved could be used to reduce their high fees and charges imposed on the investor.

How the FPA hopes to ever be considered as an organisation representing professionals remains a mystery: It regularly accepts large sums from investment sellers (banks, Insurance companies and funds managers) and its chairperson links the FPA to car sales by such statements as "When you go into a Holden dealership to buy a Holden, you don't get a Ford," (as quoted in *The Age*, 6 Aug 05), which could be paraphrased as, "if you are stupid enough to go to a financial planner employed by or owned by a product provider you deserve what you get".

The FPA is increasingly looking like the puppet of the banks, insurance companies and fund managers who once again are naving the hill In an industrv

that is dominated by institutionally employed or owned financial planners (80%) it is understandable that these conflicted people just cannot help themselves in accepting the inducements - understandable but not acceptable.

Background: announcement by FPA, page 3

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MEDIA RELEASE

www.fpa.asn.au Date: 23 August 2005

FPA to launch major ‘value of advice’ campaign

The Financial Planning Association (FPA) is soon to launch a “Value of Advice” marketing campaign that will encourage Australians to seek financial advice.

The campaign, including both above- and below-the-line activities such as TV and print advertising, consumer value of advice kit, chapter and member materials and a web presence, is expected to run for three years starting this October.

Funding to start the campaign has already been committed by a number of FPA Principal members* as well as the FPA itself. The only other group to contribute will be FPA members who will be invited to support the campaign.

Ms Kerrie Kelly, chief executive officer of the FPA, said that this will be the largest consumer marketing campaign undertaken by the FPA and aims to raise the profile of financial planners, and the value of professional advice.

“All research available indicates that there are a number of misconceptions about financial planners – for example, some people simply don’t understand how professional advice can benefit them, while others don’t think they are in a position, or have enough funds, to benefit from advice from financial planners.

“Our own studies, supported by other independent research, also suggest that those who do use financial planners are more than satisfied with the advice and service they get, and see the value of advice.

“Therefore the campaign is aimed at people who have not used financial planners before, and is intended to encourage them to consider the value of professional advice. It will communicate the fact that financial planners provide quality and useful advice and assistance that will help Australians plan for, and take steps to achieve, future financial well-being,” Ms Kelly said.

The integrated campaign will offer information packs to interested consumers and encourage them to contact the FPA for a professional financial planner.

“A key component of the campaign will be to encourage individual FPA members and chapters to assist in communicating the “Value of Advice” message to their existing and prospective clients.

“The aim is to have a national campaign supported by FPA members across the country, and we are developing a range of materials and information that members and chapters can use in their own marketing activities. This will be supported by advertising on television, in metropolitan newspapers, and in a range of regional newspapers in all states,” Ms Kelly said.

The initial concept for such a consumer campaign was developed within the FPA by former chairman Mr Steven Helmich who was responsible for putting together a group of principals to fund a pilot scheme.

The campaign is being managed by Ms Susan Grice, corporate communications manager at the FPA, who appointed experienced financial services marketing consultant Mr Michael Young to develop the campaign concept and to look at alternative communication strategies.

Two advertising agencies were invited to pitch for the work and develop concepts, with Radar Communications the selected agency.

* Principal members are advisory groups who hold an Australian Financial Services Licence.

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