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Investors propose 10-point plan to improve financial products and services

Members of the Australian Investors' Association today endorsed a 10-point plan to improve financial products and services.

AIA president Jolyon Forsyth said members attending the Association's annual conference at the Gold Coast today agreed to the plan and will urge government and regulators to adopt the measures.

"The recent collapses of Storm Financial, Opes Prime and others has meant reform of financial products and services is critical," he said.

"Australia, let alone its investors, cannot afford future collapses. We require strong regulations and standards backed up by vigilant monitoring and enforcement."

Mr Forsyth said the AIA welcomed the on-going inquiry by the Federal Parliament's Committee on Corporations and Financial Services. Committee Chairman and Federal Member for Oxley Bernie Ripoll addressed the AIA conference this afternoon and updated them on the Inquiry.

Mr Forsyth said AIA members want the Committee to comprehensively examine the issues, and the 10-point plan contained the key areas requiring attention.

"The implementation of these measures will give investors greater confidence to continue to invest, which in turn stimulates the economy and creates jobs," he said.

The 10-point plan requires action to:

1. Remove the inherent conflicts of interest at present in the financial advisory industry
2. Separate the sales and advice functions within the financial advisory industry
3. Raise the low educational level for those who become Registered Financial Advisers
4. Address the illusion of independence of advisory firms connected with banks or insurance companies
5. Provide a system of simple investment risk signals for consumers
6. Require payment for services to be initiated by the client
7. Encourage the client to be more in control of the investment process
8. Promote investment education for consumers
9. Facilitate the emergence of a professional service provided by advisers
10. Provide for better regulation and increased regulatory enforcement.

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