



Media Release

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## **The Association of Financial Advisers Announces 2007 Strategic Plan**

The Association of Financial Advisers (AFA) has announced its strategic plan for 2007.

“The AFA’s planning for 2007 and beyond seeks to build on the strong positioning that we have experienced over the past few years. We are building on the industry’s confidence in us as being able to represent adviser concerns with issues facing our industry going well beyond the current legislative reviews.

“Aside from adviser needs, we believe that the AFA has a role in speaking directly to consumers about broad financial advice issues, including our ongoing dialogue on the chronic levels of consumer savings and addressing the national epidemic of underinsurance.

“The AFA believes that advisers have a role in influencing public policy, not just reacting to Government initiatives. Government and regulators need to hear from the professionals out in the community who advise on investment, risk and retirement planning,” said Dennis Bateman, National President of the AFA.

“Our strategic plan also aims to continue to build the range of AFA activities in the regions and major centres across the whole country. It is part of our 60-year heritage that we stay close to our members in their areas of practice. As CEO, I want to acknowledge the work of committed AFA members across Australia in making the events planned actually happen,” said Richard Klipin, CEO of the AFA.

The key points of the AFA's 2007 Strategic Plan are:

- **Australians need to save 15% of their income for retirement**

The only way to self-fund serious retirement levels is to mandate higher superannuation contributions for working Australians. Industry and Government know that current superannuation levels will fail Australians in their retirement. Given that superannuation is the only true savings (excluding houses) for most Australians, Government must take the lead in getting savings levels higher via greater annual superannuation contributions.

The AFA endorses the decisions in the 2006 Federal Budget to 'simplify' superannuation and asks the Government to address this important area within the accumulation stage.

- **Australians need to address life insurance needs more seriously**

The very low levels of comprehensive life insurance held by most Australians should be a priority for the industry and the community. Access to comprehensive life insurance cover has never been easier to obtain. Yet most householders and car owners are better insured for damage or loss of their house or car than they are against personal loss or tragedy.

With average new mortgages across Australia approaching \$300,000, higher life insurance levels must become a priority for Australians. The AFA believes that awareness of Australia's underinsurance must become a national issue to stop the appalling flow-on effects of death and disability affecting families that don't have reasonable insurances in place.

The AFA recommends that minimum insurance levels, subject to underwriting, should be in the vicinity of \$300,000 to \$400,000.

- **Younger Advisers – GenXt is proving a successful initiative**

Major commitment to skilling-up young advisers in the city and in regions to better understand and meet client needs.

Young advisers have been abandoned by product providers to help them meet client needs and understand that so-called soft skills are really the hardest skills.

- **Continue to build the AFA's range of services around Australia**

The range of practice development activities includes national and regional roadshows/ local member meetings and the AFA National Conference.

As well, the AFA will continue to build its own range of adviser and service awards, including the Life Company Awards that are currently underway.

- **Providing submissions and industry comment to Government inquiries**

AFA is heavily involved in getting the best outcome for advisers from the current FSR, SIS and PI inquiries.

## **Who is The Association of Financial Advisers?**

The Association of Financial Advisers Ltd (AFA) was established in 1946 by financial advisers for financial advisers. The aims of the AFA include:

- To maintain the ethical standards of financial advisers in the interest of the public, the financial adviser and the financial services industry in general
- To improve the educational standards of the financial adviser for the benefit of the public, the financial adviser and the industry
- To represent generally the views and interests of financial advisers
- To promote a knowledge of the value and importance in the community of the services of qualified financial advisers
- To co-operate with other financial service stakeholders in the best interests of the public and the financial services industry
- To promote a spirit of adviser good fellowship

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