

MEDIA RELEASE

1 March 2007

AFA WILL FOCUS ON THE FOUR PILLARS OF GOOD EDUCATION POLICY FOR ADVISERS IN 2007

The AFA sees formal qualifications, peer to peer learning, committed ongoing training, experience and the development of solid expertise as being the basis for good education policy in the advice industry.

“Education and professional standards have always been a major focus of the AFA since our founding in 1946. Consumers want to know they are dealing with educated, experienced and competent advisers. It’s about creating a trusted adviser relationship” said Jim Taggart, Chairman of the AFA’s Education & Professional Standards Committee.

“The AFA’s heritage in peer-to-peer training has been the lifeblood of the AFA. 2007 is no different with over 70 workshops and training sessions around Australia which are primarily run by local AFA members for the benefit of advisers” said Richard Klipin, CEO of the AFA.

1. Formal Qualifications

No one argues with the need for strong qualifications in our industry. The AFA supports the range of programs available across the industry and various academic institutions. The AFA has a strong history of providing advice, practice management and risk training. We are considering what options may be needed to provide more focussed education to build the next generation of advice professionals.

2. Peer to Peer Learning and Ongoing Training

Peer support is important – learning from your colleagues is a critical part of becoming a successful adviser. The AFA is on record as supporting a range of programs and initiatives in this arena. The GenXt program, the AFA National Forum and the AFA National Conference are good examples of this. The AFA is committed to this kind of training, not only in the capital cities but in regional areas as well.

3. Expertise Comes From Real Experience

The business of learning while doing – building real, in-depth experience by solving client problems as they serve their needs – that is real expertise which is learnt on the job with more experienced colleagues. Many long-term AFA members have been providing quality advice to clients for many, many years. These long-term relationships based on trust, expertise and competence have been built over many years.

4. The Gaps in Adviser Education

The AFA is committed to addressing the education gap in 2 main areas.

1. Advice, client engagement and sales skills

These skills, which are often seen as “soft skills”, are no longer part of the national adviser curriculum. As a result many newer/younger advisers struggle to engage with their clients

and clearly identify needs and opportunities, and so their clients miss the opportunity to get a broad, holistic, all encompassing plan.

2. *Insurance and risk specific skills*

There is a dearth of competent specialist risk advisers in the Industry which is contributing to the underinsurance problem in Australia. The AFA is committed to facilitating a range of programs to better educate advisers in the specialist area of risk insurance.

5. The AFA and Post Nominals

The AFA will shortly be announcing/launching its Post Nominals to its members. This is a critical issue and in it's final testing stages. The pathway to the AFA's Post Nominals will reflect the AFA's approach as outlined above.

Media Contacts

Richard Klipin, CEO Association of Financial Advisers

M: 0412 127 834

Richard.klipin@afa.asn.au

Dennis Bateman, National President Association of Financial Advisers

T: 07 4639 1399

dennis@toowoombafinancialcentre.com.au