

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 14 – 15 February 2007

Question: aet 74 (ASIC)

Topic: Television Advertising

Hansard Page: Written

Senator MURRAY asked:

Several investors in Westpoint and in other failed schemes have contacted my office and asked why ASIC does not take out TV advertisements to warn investors of such schemes, on a similar basis to government TV advertisements on other matters. Such constituents seem to be of the view that electronic media has wider reach and impact than ASIC press releases. Has ASIC considered this matter, or considered requesting the Government for funds to run such information commercials in selected cases?

Answer:

ASIC does not generally take paid advertisements in the media, other than for purposes of recruitment. Instead, ASIC uses an array of other communication tools to inform consumers about financial issues and concerns.

These tools include media releases, research reports, newsletters, booklets and consumer alerts. ASIC spokespeople also undertake hundreds of media interviews each year warning consumers about the possible risks associated with high return investments and other important issues. These activities generate a considerable amount of editorial content that ASIC believe investors place more value on than advertising content.

A vast amount of information concerning such matters is contained on ASIC's dedicated consumer website, FIDO (www.fido.asic.gov.au). There is also a wide range of information on the general ASIC website (www.asic.gov.au). In the 2005-06 financial year there were 785,000 hits to the FIDO website.

ASIC believes these activities allow a far more effective use of resources than paid advertising, whilst ensuring wide dissemination of important information in the community.