There are currently many types of adviser operating as "Financial Planners" in Australia. These models are almost indistinguishable to the consumer, yet are the most significant factor in determining the type of advice they will receive.

1. Financial Product Salespeople - This role exists to advise investors to invest in a certain product or suite of products. This product suite will often be provided by an associated entity and typically the "adviser" is rewarded based on the amount invested or retained in that product. I contend that these advisers should be labelled "Financial Product Salesperson" to ensure consumers are aware of their role. Those investors looking to buy financial products should be quite happy to deal with Financial Product Salespeople.

Further, where they are linked in any way, (typically ownership), to a financial institution, this should be clearly shown on business cards, letterhead, and advice documents. This would need to be in a prescribed format as current disclosure rules have been ineffective in highlighting these conflicts to clients.

2. Financial Adviser - This description should only be available to those providing financial advice and not those selling financial products. Key attributes to identify these advisers might be:

Not owned or controlled by a financial institution

Fee for service operation

That is they are not principally employed to sell investment products and nor is their principal method of remuneration. This could be defined as having less than 50% of their remuneration / revenue derived or recovered from financial product providers. Whilst this is a weak definition, the current definition of "independent" is so tough that it arguably cannot be used by any advisers in Australia, making it unavailable to advisers who are practically independent if not technically independent.

Storm Financial was clearly a model of "Financial Product Salespeople" yet it appears that their clients were expecting advice. Knowing their role may have influenced consumers to more carefully consider their advice in an overall context.

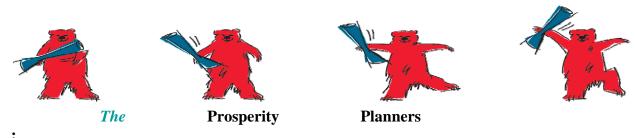
I would advocate that "advisers" be required to be labelled based on their business models, with those meeting definition one above being identified as "Financial Product Salespeople" and those meeting definition two being identified as "Financial Advisers".

Regards,

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