



Media Release

Thursday, 18 June 2009

GESB SUPPORTS INDUSTRY CALL TO END FINANCIAL PLANNING COMMISSIONS.

GESB has added its support to calls for the financial planning industry to stop selling products that are oriented towards commission payments.

The Investment and Financial Services Association (IFSA), a key industry body, has recommended that its members should stop designing investment and super products that pay automatic upfront and trail commissions to financial planners.

GESB's Head of Wealth Management Fabian Ross said the IFSA recommendation was a very welcome call.

"We believe this should be industry practice as this is clearly in the best interests of the investing public," said Mr Ross.

The IFSA call comes after the Financial Planning Association last month urged its members to abandon commissions in favour of a fee-based model by 2012.

Mr Ross said upfront and trail commissions should not be part of the contemporary investment landscape.

"These are out-moded, out-dated fees that are biased towards salespeople, some of whom have been incentivised by promoters to get investors to buy products," he said.

"We only charge our clients on a fee-for-service basis for financial advice. We don't charge commissions.

"Our financial planning arm GESB Financial Advice, launched 2-years ago, provides members with a transparent fee-for-advice model that is committed to delivering advice that addresses the specific needs of the client.

"Our customers pay only for the services they require and GESB believes this should be standard throughout the industry."

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About GESB (April 2009)

GESB manages the largest superannuation fund based in Western Australia and is a significant national player. It manages superannuation on behalf of 25% of Western Australia's workforce and with a 70 year track record, GESB has unrivalled experience in superannuation in Western Australia.

It is a member based organisation that manages the superannuation of current and former WA Public Sector employees and their partners.

GESB's primary purpose is to improve the long-term financial well-being of its members. The organisation offers a choice of competitive superannuation and retirement products, competitive fees and member services, and a financial advice service.

For further information visit gesb.com.au