

FOR IMMEDIATE RELEASE

SMSF ‘spruikers’ highlight urgent need for regulation of property investment advice

Wednesday 14 November 2012: The Property Investment Professionals of Australia (PIPA) is calling on ASIC and the Federal Government to take action and regulate property investment advice following a raft of news reports highlighting questionable property spruiking practices.

Reports that investors are losing millions of dollars after being cheated by property marketers selling dubious properties under the guise of ‘independent financial advice’ have dominated headlines in recent weeks.

In particular, concerns are mounting for investors who are being encouraged to set up self-managed super funds (SMSFs) as vehicles for investing in property.

Earlier this week ASIC signalled that it will undertake surveillance of financial advisers and accountants regarding these SMSF concerns.

Chair of PIPA, Ben Kingsley, said concerns surrounding SMSFs, and poor or underhanded property investment advice, has once again highlighted the need to regulate the provision of property investment advice.

“We are going to see an ongoing repeat of events such as Storm Financial and WestPoint – as well as a host of property spruikers like ‘Henry Kaye’ appearing – if nothing continues to be done about property investment advice regulation,” he said.

“While the Federal Government continues to sit idle on this, Australian investors will continue to be ripped off.”

Unlike the areas of financial planning, real estate and mortgage broking, the provision of property investment advice – even in SMSFs – continues to be unregulated.

Currently anyone can promote property as an investment option.

“It simply doesn’t make sense that you need to be formally qualified to give financial planning advice or be formally qualified to be an accountant to provide tax advice, but anybody can provide property investment advice,” Mr Kingsley said.

Despite a lack of regulatory framework around property investment advice, there are qualified property investment professionals that have both the educational and ethical standards to provide quality advice on property, Mr Kingsley said.



“Investors must take care that they only take property investment advice from those qualified to give it,” he said. “PIPA members subscribe to a code of practice and adhere to strict qualification requirements investors can trust.”

Investors can locate a PIPA member by visiting www.pipa.asn.au

****ENDS****

NOTE TO EDITORS

About PIPA

The Property Investment Professionals of Australia (PIPA) is a not for profit association established by industry practitioners with the objective of representing and raising the professional standards of all operators involved with property investment.

Since its inception PIPA has developed codes of ethics and conduct and professional standards of accreditation and education for the property investment industry including a Property Investment Adviser Accreditation Course.

PIPA is actively lobbying the Federal Government to bring property investment advice into a regulatory framework.

CONTACT

Kate Miller
Momentum Media
PH: 02 9922 6311