

► **PLANTATION FALL-OUT**

# MIS advisers pocketed 10%

By **LESLIE WHITE**

UPFRONT commissions for financial advisers who recommend managed investment schemes should be banned, investors and accountants say.

Critics claim upfront fees paid by MISs created a glaring conflict of interest for financial advisers.

And advisers who recommended failed MISs to their clients should be held accountable,

**HAVE YOUR SAY**  
weeklytimesnow.com.au

analysts told *The Weekly Times*.

The MIS sector has paid 10 per cent commissions to advisers, while the industry average is 3 per cent.

A senate inquiry revealed this month that the vast majority of MIS recommendations came from advisers who were not

registered accountants and had no university qualification in finance.

An investor who sunk \$250,000 into Great Southern, Timbercorp and Barossa Vines said he was "completely disillusioned" with his accountant, who he had previously regarded as a friend.

"We had used him for 15 years and he said they (the MIS investments) were solid," the investor said.

"(Advisers) get 10 per cent commission upfront... it's ridiculous... once they've sold it to you, you never hear from them ever again."

Certified Practising Accountants general manager policy and research Paul Drum said CPA supported a "fee for service" for financial advice, rather than an upfront commission.

He said ongoing fees to advisers should be based on the success of the project.

"If it's paid in instalments over the life of the project, and the project does not get to fruition, then the adviser shares some of the pain," Mr Drum said.

An agricultural consultant, who did not wish to be named, said paying a 10 per cent upfront commission was ridiculous.

But he said the real issue was the information in reports relied on by accountants which had been paid for by the MIS com-

panies. ASIC confirmed a taskforce was looking at MISs and would also investigate advisers who had recommended them.

Financial advice company Professional Investment Services, which lists Timbercorp, Great Southern, Barossa Vines, Gunns, Almond Investors, Orchard Funds Management and Wilmott among its "strategic partners", did not return calls.

● **Timber! Timber! Page 18**

## Gold adds new shine to town

By **FIONA SHEEAN**

A GOLD rush is on at tiny Woods Point nearly 50 years after mining there was abandoned.

The remote town, 120km east of Melbourne, has come alive again to the sounds of workers tinkering with their mining tools and equipment.

Morning Star Gold started extraction work last week for the first time since 1963, following 18 months of exploration.

Chairman Max Garling said the driving force was the high price of gold.

"In 1963, gold was \$32.50 an ounce. Today it is \$1100," he said.

The eastern fields at Woods Point and Walhalla are significant in Australian history, and Morning Star Gold hopes to find more of the precious resource. Six exploration projects are in progress.

The Morning Star was one of Australia's premier operations in the early 1940s and there are high hopes it will be again now that the 300m main shaft has been rebuilt.

"We hope the mine has a life of five to 10 years," Mr Garling said.

About one million ounces with an average grade of 27gm/tonne has

been extracted from the mine.

Experts say at least another one million ounces could remain at lesser grades up to 20gm/tonne.

Mr Garling said there would be great spin-offs for the town.

"It is a very small town of only about 40 people with a pub, shop and post office," he said.

"The mine will vastly lift employment opportunities and bring a lot more tourism to the area."



**New generation:** Max Towe, James Scott and Jason Dick (above) in the mine.

Pictures: GREG SCULLIN



**Deep underground:** Jason Dick (above) with some of the quartz in which the miners hope to strike gold.

## Scheme faces defeat

By **DAVID MCKENZIE**

THE Federal Government is standing firm against calls from farmers and the Coalition to change its emissions trading plan.

It means its Carbon Pollution Reduction Scheme is likely to be voted down in the Senate tomorrow.

The National Farmers' Federation last week called for farm emissions to be left out of the CPRS.

NFF president David Crombie said other countries were exempting farmers from their cap-and-trade schemes while providing incentives to cut farm emissions.

"The carrot approach is a far more effective strategy than the big stick approach."

"It (also) mirrors the route taken in the US, UK, Europe and Canada," he said.


The move, foreshadowed last month in *The Weekly Times*, was agreed at a members council after an NFF fact-finding tour.

● **It's a lot of hot air, Page 17**

● **Players watch carbon movers, Page 24**




**Glory days:** an historic picture (above) of workers outside the Morning Star Mine at Woods Point.




**ROTATIONAL MOULDED PRODUCTS** AUSTRALIAN OWNED AND MADE SINCE 1994

**FREE PRESSURE PUMP**  
with a 3000, 5000 or 7000 gallon tank!



Pump valued at over \$800!




Place your order of a 13600ltr, 22500ltr or 31700ltr Rainwater Tank and receive a FREE Pressure Pump!

HURRY! Offer ends 31st August 09

Offer limited to one pump per order/customer

Freecall 1800 062 064 Today!



Quality Certified Company ISO 9001