



**Story**  
**Photography**

# Australia's best advisers

**From community benevolence to rescuing retirement plans, the nation's top financial planners are rewarded for their first-rate advice**

**G**OOD FINANCIAL PLANNING advice isn't just about building wealth. At its best, quality advice can offer significant non-monetary benefits – potentially turning lives around and easing a tremendous burden of stress in the process.

## LOW INCOME PLANNING

The Financial Planning Association's Value of Advice Awards acknowledge the work of

financial planners around Australia who have achieved all of these things.

This includes excellence in listening to clients, identifying their needs and uncovering their life goals.

The Financial Planning Association (FPA), the industry's peak representative body, is celebrating the 2007 Value of Advice Awards with this exclusive coverage in *Money*.



Low income planning: This recognises financial advice for families earning around or below the average weekly ordinary time earnings.

Michael West, AXA Financial Planning, Victoria. Ph: (03) 5222 1044.

One of Australia's leading wealth management institutions, AXA has \$45.6 billion funds under management and more than 1050 advisers.

### THE CLIENT:

Sue Bennett\* (55), divorced, two dependent children.

### THE PROBLEM

Sue was a divorcee with two children. Her settlement included the family home and \$280,000 in super, which had been rolled over to an existing fund. The home, in desperate need of repairs, came with a \$90,000 mortgage. Sue also faced a family loan of \$15,000, credit card debt of \$1000 and \$13,000 in private school fees.

Sue had been out of the workforce for 16 years, and received just \$21 each month in child support. She hadn't updated her will, nor did she have any personal insurance. The financial strain was taking a toll on her health. While she recognised the need

for financial advice, she was concerned she couldn't pay for it.

### THE SOLUTION

The first step AXA's Michael West took was to transfer Sue's super to a low-cost fund that matched her risk profile and insurance needs. The maximum non-restricted non-preserved component of \$68,500 was withdrawn and placed in her bank account.

With some digging around, Michael discovered an old school scholarship fund valued at \$6500 for secondary education and another \$7000 earmarked for tertiary education. Initially \$6500 was withdrawn, with the balance left to avoid exit fees.

With cash in the bank now at \$75,000, Sue paid out her credit card debt and the school fees.

A cash management account of \$26,000 was set up to help pay the fees over the next two years

The home loan (\$90,000) was refinanced on an interest-only basis and a second cash account of \$20,000 set up to service the loan over three years

Sue negotiated to pay out her family loan at age 55 and life insurance was arranged through her super fund. After meeting with Centrelink, Sue's allowance was upgraded to \$11,000 annually, and after some training she found a part-time job.

Last year, on reaching age 55, Sue made a partial redemption of \$120,000 from her super fund. She paid off the mortgage (\$90,000), undertook repairs to her home (\$5000) and paid out the family loan. Her children finished school, and as they opted

against university, she cashed in the \$7000 tertiary savings fund.

Sue now lives debt-free and uses a budget to keep her money under control. Her children were able to finish their education at their private school, and the family took a holiday last year – the first in five years. Sue says: "My outlook now is very good compared to my earlier thoughts of doom and gloom."

AXA was paid via a combination of ongoing trail and fee-for-service payments taken directly out of Sue's super fund through the product provider. For information on how a certified financial planner can bring the value of good advice to your money matters, log on to the Financial Planning Association's website at [www.fpa.asn.au](http://www.fpa.asn.au).

\*Not her real name.



**Wealth accumulation:** This focuses on advice based on wealth accumulation including structuring of personal income, investments and superannuation to achieve short- and long-term needs.

Pippa Elliott, Momentum Planning, Western Australia, winner for the second time. Ph: (08) 9221 1955.

Established in 2002, the Perth-based firm operates under the licence of Partnership Financial Services NSW/ACT: Zuraida Ariffin, Argyle Financial Strategists, Kingston, ACT. Ph: (02) 6234 6051.

**THE CLIENT**

Nico and Tamara Brutti (both 35), married, two children.

**THE PROBLEM**

Perth couple Nico and Tamara Brutti were working hard to accumulate wealth. Nico was running their two cafes and Tamara was working part-time as a business consultant. Despite earning a good income, they weren't managing their cash well. Money was going out in all directions and unexpected tax bills were adding extra stress.

Despite having a net financial worth close to \$1 million, they had less than \$10,000 in combined super. They had no insurances in place, nor any wills.

They approached Pippa Elliott at Momentum Planning to get some balance back in their lives.

**THE SOLUTION**

To restore order to the couple's finances, Pippa recommended a separate trust be established to collect income from Nico's cafes and Tamara's consulting work. Out of this trust, they receive a regular wage, allowing them to manage their personal tax on a pay-as-you-go basis. The trust also meets business expenses, allowing better division of personal and business spending.

A cash management account was established to act as the "hub" for Nico and Tamara's personal cash flow. This lets the couple follow a budget, and as a result they have been able to reduce household spending.

On Momentum's advice, the couple sold an under-performing investment property, using the proceeds to extinguish some

debt and purchase a tax-friendly agri-business investment.

With these strategies, Nico and Tamara have not only improved their cash management, they've also regained control of their business interests. By reducing debt and focusing on strong-return investments,

they've boosted their net wealth by more than \$130,000. They have appropriate insurance cover, and estate plans are in place.

"We can build wealth against our lifestyle. Momentum Planning offers a unique lifestyle-driven service, which lets us control our destiny," says Nico.

**About the awards**

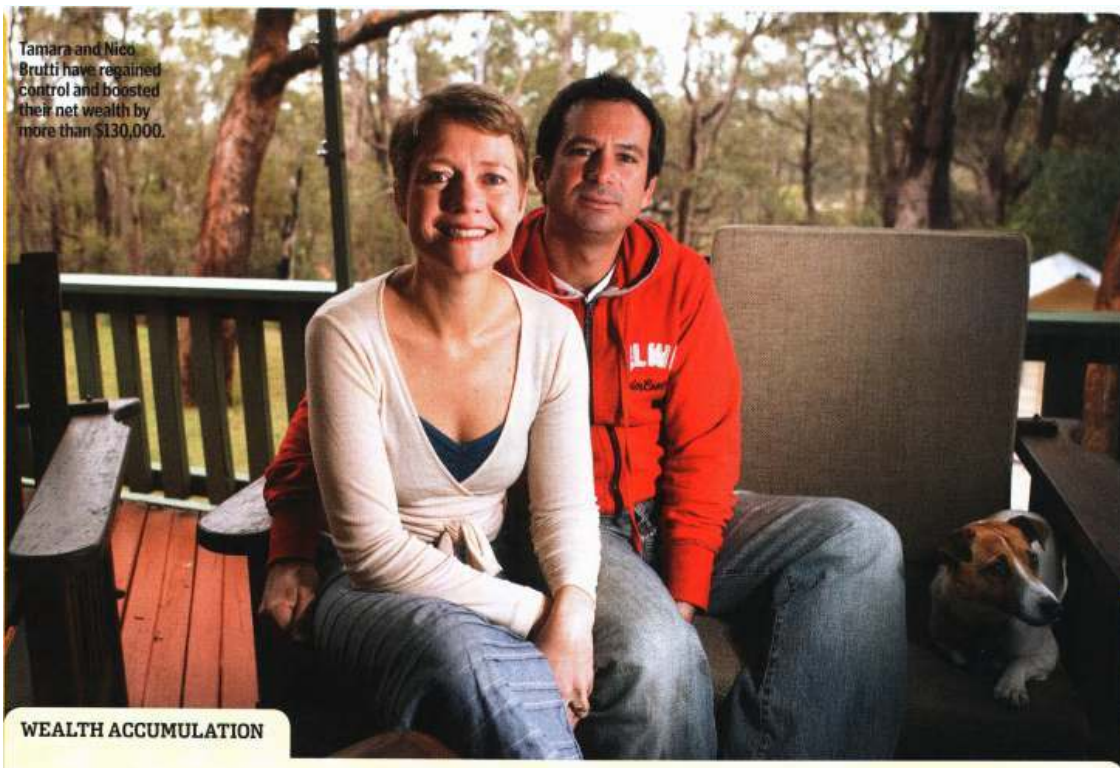
The 2007 Value of Advice Awards were open to FPA members who are Certified Financial Planners (CFPs) or enrolled in the CFP Certification Program. By showcasing real-life examples, the awards highlight how quality financial planning can help Australians from all walks of life.

The awards are bestowed at

state and national level, with four key categories:

- Wealth accumulation.
- Pre-retirement planning.
- Post-retirement planning and management.
- Low income planning.

The Community Contribution category recognises contributions to the community's financial wellbeing or pro-bono work.



Tamara and Nico Brutti have regained control and boosted their net wealth by more than \$130,000.

**WEALTH ACCUMULATION**



## COMMUNITY CONTRIBUTION/PRO BONO

Community contribution/pro bono: This is the first year the award for community contribution/pro bono work has been bestowed, and the Financial Planning Association has announced three winners.



### MAURICE NISTICO

Nistico Sen Financial Advisers,  
Hillross Financial Services, Port

Augusta, South Australia. Ph: (08) 8642 3899.

Five years ago, Maurice Nistico founded the "Community Superannuation Plan" to help support the young people of his local community of Port Augusta.

In a town once ravaged by business closures and redundancies, Maurice's firm has committed to sharing brokerage received from the fund with local employer body Business Port Augusta. The proceeds are used to fund employment initiatives for Port Augusta's youth, including co-sponsorship of the local Apprentice of the Year and Trainee of the Year awards.



### SUSAN JACKSON

Women's Financial Network, Inscorp Financial Services, Victoria. Ph: (03) 9486 0122.

Susan Jackson has been a driving force behind the Women's Financial Literacy Project, a collaborative initiative aimed at raising the level of financial literacy among women in Victoria.

Susan sat on the project's steering committee, providing content for a booklet and developing workshop material, as well as facilitating the project's workshops.

By sharing her expertise, at little charge, Susan has helped hundreds of Victorian women plan for a more comfortable retirement.



### NEIL KENDALL

Tupicoffs, Brisbane, Queensland. Ph: (07) 3221 3066.

Neil Kendall is no stranger to the FPA's Value of Advice Awards, having received the FPA's 2006 Value of Advice Award in the category of low income planning.

This year the FPA salutes Neil for his pro-bono assistance to Dave Markham\*, a man on the edge of bankruptcy.

Having borrowed 100% of his home's value, Dave was floundering in debt. He owed his employer \$5000, had "maxed out" his credit cards and was paying interest of 96% on a loan from a payday (short-term) lender. Making a stressful situation even tougher, Dave's wife and children had no idea of the family's shaky financial state.

With Neil's guidance, Dave came clean with his family and together they worked to pay off their debts and get back on their feet financially. Despite the long hours spent mentoring and encouraging Dave, Neil undertook all of the work free of charge.

\* Not his real name



## POST-RETIREMENT PLANNING



Angela Jenkins

Post-retirement planning and management: This award recognises advice for a client already in retirement, and may include strategies to ensure risk and cash flow are managed effectively, assets are appropriately held, and social security benefits have been identified.

Angela Jenkins, Davey & Scurrah, Rosny Park, Tasmania. Ph: (03) 6244 5311.

Davey & Scurrah is a Tasmanian firm operating under licence from Garvan Financial Planning. Specialising in clients in the health profession and government employees, Davey & Scurrah won the FPA's 2006 Value of Advice Award in the category of pre-retirement planning.

Rick Arnheim, Arnheim Gillard Financial Consultants, Sydney, NSW. Ph: (02) 9299 3921.

### THE CLIENT

John (71) and Anna (65) Jones\*, married, three adult children.

### THE PROBLEM

Retired couple John and Anna were having difficulty funding their retirement. They owned a rental property on which money was still owing, and had a mortgage outstanding on their home.

John owned a small direct share portfolio while Anna had a lifetime super pension. To maintain their annual spending of \$45,000, they were drawing down on their home loan.

Anna and John were due to receive an inheritance of \$450,000 though they had no clear direction about how to use this money without jeopardising their entitlement

to the age pension. However they were keen to upgrade their home to better suit retirement living.

John's health prevented him from managing the rental property and, though they were keen to sell, they were concerned about losing half the property's sale value in capital gains tax.

Unable to see a retirement clear of financial worries, the couple was experiencing an increasing burden of anxiety.

As John explains: "We were floundering and unsure of how to

make the most of our situation. We certainly didn't have the skills or knowledge to tackle the problem alone."

### THE SOLUTION

John and Anna's financial planner, Angela Jenkins of Davey & Scurrah, modelled a range of different scenarios with the couple. The solution they settled on involved holding on to the share portfolio and selling the investment property. The proceeds of the sale were re-contributed to super to offset their capital gains tax liability. John and Anna were then able to pay off their outstanding debts and, by investing in two private pensions, were able to maintain their eligibility to a portion of the age pension.

They sold their own home to buy their retirement dream home – with sufficient funds available to make a few lifestyle purchases.

They now have a substantial cash reserve and the couple's annual income has risen to \$50,000.

In addition to making their home part of their estate, John and Anna expect to be able to bequeath part of their super to their three children.

The advice they received turned the couple's lives around.

John says: "It's a great relief to be financially secure and debt-free with the added bonus that our children will benefit from a future legacy."

\*Not their real names.



## PRE-RETIREMENT



Pre-retirement planning: This recognises advice given at the pre-retirement phase. This may involve setting up retirement income, developing and structuring effective savings and investment plans, reducing debt and reviewing super opportunities.

Jeremy Gillman-Wells, Bentham Financial Group, Canberra. Ph: (02) 6215 8000.

Canberra-based Bentham operates under AMP Financial Planning licence.

Paul Little, Landmark Financial Management, Brisbane, Queensland. Ph: (07) 3832 0866.

## PLANNING

### THE CLIENT

Bill (59) and Jean (57) Butler\*, married, two adult children.

### THE PROBLEM

Several years ago Bill was diagnosed with multiple sclerosis, leaving him permanently disabled and unable to work.

The couple had received income protection payments between 2002 and 2005, at which point their insurer approached Bill with the offer of a lump sum payment in lieu of any future benefits.

The decision they would make — whether or not to accept the offer — would have serious implications on the rest of their lives.

This prompted Bill and Jean to seek help from Bentham Financial Group.

### THE SOLUTION

After analysing the insurer's offer, Bentham's Jeremy Gillman-Wells

drafted a counter-offer asking for an increase of \$46,000.

The insurer agreed, and the payout was used to generate a tax-effective income through a combination of deductible contributions, the invalidity component of Bill's superannuation and re-contribution strategies. They also bought a tax-friendly allocated pension.

By dividing their assets between super funds for both Bill and Jean, they avoided exceeding the (then) reasonable benefits limit, generating a tax saving of \$14,700.

With these strategies in place, Bill and Jean are now able to enjoy a combined annual income of over \$68,000. They also have the added security of knowing their financial assets should last another 30 years.

According to Bill: "Our new position allows for better cash flow and continuing cash security."

\*Not their real names.

## Judging criteria

Entrants were assessed using a real-life case history, which demonstrated an ability to listen to clients, recognise their needs and provide solutions that offered outstanding value.

Moreover, planners had to demonstrate that the client clearly understands how much the advice would cost, and how

they would be asked to pay for it

The judging panel consisted of a range of financial planners from around the country, each with the FPA's CFP designation. Money magazine's regular contributor Ross Greenwood, journalist John Wilkinson and former Olympian Dawn Fraser completed the panel.