



Financial Planning and Choosing a Financial Planner



Providing Strategic Financial Advice

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Agenda

- The Financial Planning Process
- Fees and Costs
- Disclosure Rules
- What to Consider when Choosing a Financial Planner
- Summary



Good Financial Planning is ...

- About providing **YOU** with the information and advice **YOU** need to move in the direction **YOU** want to take.
- Puts **YOU** in control of your financial future



Good Financial Planning is ...

➤ Based on your goals and dreams, and includes:-

- ✓ Salary packaging
- ✓ Centrelink
- ✓ Cash flow management
- ✓ Superannuation
- ✓ Retirement planning
- ✓ Estate planning
- ✓ Business planning and trading structures
- ✓ Investment advice
- ✓ Taxation planning
- ✓ Retirement income planning
- ✓ Debt reduction and management
- ✓ Self managed superannuation funds
- ✓ Insurance
- ✓ Redundancy
- ✓ Family breakdown



Good Financial Planning includes Financial Modeling

“What if” analysis.

You could do many things



But, what should you do?

- Ask your financial planner if they do this and if they will give you a copy of their analysis as part of their advice.



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Client Partner Joint Trust Company Superfund Combined

Key Date 01/Jul/06		Jun/2007	Jun/2008	Jun/2009	Jun/2010	Jun/2011	Jun/2012	Jun/2013	Jun/2014
Projection Year		1	2	3	4	5	6	7	8
Projection Age		61.1	62.1	63.1	64.1	65.1	66.1	67.1	68.1
INCOME SUMMARY		Sum							
Income Received	853,400	94,133	97,073	100,106	103,237	106,468	7,383	7,752	8,140
Less income tax	(20,379)	15,338	16,135	16,957	18,073	19,256	(2,224)	(2,335)	(2,452)
Less superannuation contributions	38,698	7,289	7,508	7,733	7,965	8,204	0	0	0
Less regular loan repayments	791,205	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402
Net Income	43,876	31,104	33,028	35,014	36,797	38,606	(30,795)	(30,315)	(29,810)
Less estimated current expenses	357,713	56,000	57,400	58,835	60,306	61,814	63,359	0	0
Surplus/deficit income	(313,837)	(24,896)	(24,372)	(23,821)	(23,509)	(23,207)	(94,154)	(30,315)	(29,810)
CASHFLOW POSITION		Sum							
Surplus/Deficit income	(313,837)	(24,896)	(24,372)	(23,821)	(23,509)	(23,207)	(94,154)	(30,315)	(29,810)
Bank Transactions (EOY)									
Net transfers from Spouse	198,830	37,354	38,067	38,803	39,562	40,345	98	103	109
Loan proceeds/repayments	(71,465)	(16,224)	(12,290)	(13,275)	(14,303)	(15,373)	0	0	0
Sub Total	127,365	21,130	25,777	25,528	25,259	24,972	98	103	109
Surplus/deficit cashflow	(186,473)	(3,766)	1,405	1,707	1,750	1,765	(94,055)	(30,211)	(29,702)
INVESTMENTS		Max							
Bank Account Balance	7,862	1,234	2,639	4,346	6,097	7,862	(86,194)	(116,405)	(146,106)
Other Investments / Entities	1,250,122	303,713	318,898	334,843	351,585	369,164	387,623	407,004	427,354
Principal residence	570,579	321,300	327,726	334,281	340,966	347,785	354,741	361,836	369,073
Rollover & Superannuation A/C	4,196,068	520,792	576,778	637,269	702,598	773,122	827,241	885,148	947,108
Mortgage Owning	(428,009)	(428,009)	(406,851)	(383,267)	(357,048)	(327,972)	(312,289)	(295,536)	(277,642)
Total Investments	5,592,297	719,029	819,190	927,472	1,044,198	1,169,961	1,171,122	1,242,046	1,319,786
Present Day Value Total Investments		701,492	779,717	861,250	945,992	1,034,075	1,009,855	1,044,890	1,083,210
SUPERANNUATION INVESTMENTS		Initial							
Total incl DIY Superfund Cap Acct	469,000	520,792	576,778	637,269	702,598	773,122	827,241	885,148	947,108
RBL Status at Start of Period									
Under/(Over) L/S RBL		209,149	184,483	156,708	125,556	90,740	51,950	30,834	7,250
Under/(Over) Pension RBL		887,291	889,751	890,186	888,374	884,070	877,013	888,900	899,639

Key Results
Income
Expenditure
Joint Dis.Inc
Tax
Joint WCA
Bank Account
Investments
Cash/Fixed Interest
Trust/Property Trust
Share/Savings Plan
Investment Properties
Superannuation
RO - RBL
ETP Withdrawals
RO Income Inv.
Allocated Pensions
Commutations
Bonds
Investment Loans
Home
Age Pension
DVA
Newstart
FTB
Entities

Good Financial Planning ...

- Helps **YOU** make the most of what **YOU** have while **YOU** create a comfortable future for yourself and your family.



Providing Strategic Financial Advice

The Financial Planning Process

1. Collect information

The financial planner collects all the details about your current financial circumstances and identifies your attitude to financial risk.

2. Determine financial objectives

The financial planner determines your short, medium and long term goals. They also consider your future income and expenditure requirements.



The Financial Planning Process

3. Analyse alternative options

Using all the information at their disposal, the financial planner researches the possible outcomes of potential strategies they recommend to you.

4. Develop a strategy

The financial planner prepares a strategy that helps you achieve your financial goals, in accordance with your attitude to financial risk and your current circumstances.



The Financial Planning Process

5. Present detailed financial plan

The financial planner presents you with a detailed financial plan which includes: a factual strategy rationale; risk exposure; actual products recommended; and any assumptions made.

6. Implement financial plan

Upon your approval, the financial planner proceeds with co-ordinating the logistics of implementing your plan. This includes sourcing the documents and ensuring that all the paperwork is signed and completed.



The Financial Planning Process

7. Review financial plan

The financial planner reviews your financial plan on a regular basis to ensure that it can accommodate changes to your circumstances, legislation or the economic environment.



Fees and Costs

Planners charge for their services in a number of ways:-

- Payment directly from their employers – Salary and/or Bonuses.
- Payment from providers of products – Commissions/Trails.
- Payment directly from their clients – Fee for advice/service.
- A combination of these methods is used by many financial planners.



Fees and Costs

Professional financial advice is a valuable service which comes at a cost.

- The cost should depend on the complexity of your financial situation and the level of service provided by the financial planner.
- The advice fees should be discussed with you prior to any work being done.

You can then decide whether you wish to proceed with the advice process or not.



Fee for Advice – Example

- First 45 minute appointment is complimentary
- Then detailed Questionnaire and Strategy Analysis - \$660 inc GST
- Then, fixed quote given to client
 - Cost benefit analysis
 - Client then decides if they want to proceed
 - Fee agreement signed by the client(s) and the financial planner
- Work done and fee invoiced to the client after work has been done



Disclosure rules

- Privacy
- Financial Services Guide (FSG)
- Confidential Client Questionnaire
- Limited Advice – Warning
- Fee Agreement



Disclosure rules

- Statement Of Advice (SOA)
 - All costs are to be set out clearly
 - Replacement of product considerations
 - All commissions and benefits that your financial planner will receive
 - Reasonable basis for making recommendations
- Authority to Proceed
- Product Disclosure Statement (PDS)



What to Consider when Choosing a Financial Planner

- Talk to family, friends and others that you trust, for a referral to a good financial planner
- Contact two or three financial planners
- The financial planner should be a member of a professional body, such as the FPA



What to Consider when Choosing a Financial Planner

- When you visit a financial planner don't be afraid to ask questions. Remember, whilst a financial planner can certainly steer you in the right direction, only you can take full responsibility for your finances.



What to Consider when Choosing a Financial Planner

- Who owns the business? A bank, fund manager, insurance company?

Some advisory businesses can only offer the parent company's products.

- Ask to see a copy of the financial planners license and code of professional conduct

- Only deal with a licensed financial planner

Check the ASIC register at: www.search.asic.gov.au/fsr/far.html



What to Consider when Choosing a Financial Planner

Address <http://www.search.asic.gov.au/fsr/far.html>



ASIC
Australian Securities & Investments Commission

Australian financial services licensing

AFS authorised representatives register

SEARCH TIPS

Browse the register by name of the authorised representative.

Where the licensee is a person, names are ordered by family name, then given names.

Where the representative is a company, names are ordered by the legal name of the representative.

Name

You must enter at least the first character of the name.

Rep Number

Enter Surname

- or -

Then Click

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You can also browse the [AFS License Register](#).

You should also check the [Enforceable Undertakings Register](#) to see if the person or company has undertaken not to carry on a financial services business as an AFS Authorised Representative.



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What to Consider when Choosing a Financial Planner

Address  http://www.search.asic.gov.au/cgi-bin/gfs010c



ASIC
Australian Securities & Investments Commission

Australian financial services licensing

AFS authorised representatives register

[SEARCH AGAIN](#)

Click on Number to show representative details for that representative.

Extracted from ASIC's database at AEST 00:18:49 on 06/03/2007

Number

[250931](#)

Details (* indicates former name)

Name	WINTOUR Robert Desmond
Address	28 Balaclava Street Woolloongabba QLD 4102
Commenced	01/01/2004
Status	Current



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What to Consider when Choosing a Financial Planner

Look for someone who ...

- Will put your needs first
- Works often with people in your situation
- Will fit in with you personally
- Has good qualifications and experience



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What to Consider when Choosing a Financial Planner

www.goodadvice.com.au



The screenshot shows a web browser window with the address bar displaying "http://www.goodadvice.com.au/". The website header features the slogan "Good advice for peace of mind" and the FPA logo. A navigation menu includes links for Home, About the FPA, Key facts, Good advice, The value of advice, and Find a Planner. The main content area has a yellow background and contains several call-to-action buttons: "Download 'Money Well Spent' brochure", "Find a Planner", "When you want to know the meaning of...", "Contact the Financial Planning Association", and "Useful links". A prominent blue box highlights the "Compare the Pair" link, which promises to show the difference a financial planner can make. The central text states: "Good financial advice helps you make the most of what you have while you create a comfortable future for yourself and your family." It further explains that financial advice provides necessary information and control over one's financial future, and that superannuation is a key part of an Australian's future. A red box at the bottom of the main content area states: "This site will give you information about who can give you financial advice, when advice is needed, what it will cost and how you know if you are getting good advice." The footer includes the slogan "GOOD ADVICE IS MONEY WELL SPENT...", copyright information for 2005 FPA, browser requirements, and links for contacts and privacy.

Address <http://www.goodadvice.com.au/>

Good advice for peace of mind 

Home About the FPA Key facts Good advice The value of advice Find a Planner

Download 'Money Well Spent' brochure

Find a Planner

When you want to know the meaning of...

Contact the Financial Planning Association

Useful links

Compare the Pair
Click this link to see the huge difference a financial planner can make to your financial future.

Good financial advice helps you make the most of what you have while you create a comfortable future for yourself and your family.

It provides you with the information and advice you need to move in the direction you want to take and puts you in control of your financial future.

Superannuation is an important part of every Australian's future. But it is only one of a whole range of options that can give you a comfortable and secure retirement. Seeing a professional financial planner will help you make choices that are right for your individual situation. A financial planner can make a huge difference to your financial future and also give you peace of mind, so you can sleep better at night. Your investment in their good advice really is **money well spent.**

This site will give you information about who can give you financial advice, when advice is needed, what it will cost and how you know if you are getting good advice.

GOOD ADVICE IS MONEY WELL SPENT... GOOD ADVICE IS MONEY WELL SPENT...


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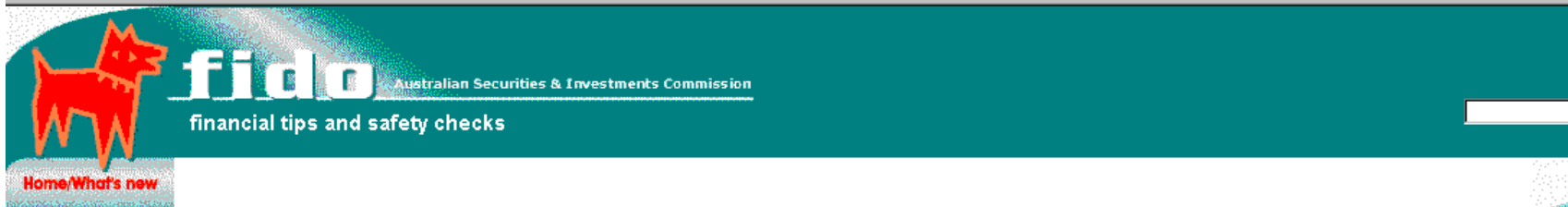

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www.fido.asic.gov.au

Address  http://www.fido.asic.gov.au/fido/fido.nsf/byheadline/Check+that+people+or+companies+are+licensed?openDocument



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Check that the business or person is licensed

Deal only with licensed businesses, or persons authorised by a licensed business, when you're getting financial advice and buying financial products. 'Financial products' include deposit accounts, life and general insurance, superannuation and investments in managed funds, shares, debentures, and other more complex financial investments. (Loans and direct investments in real estate are regulated under State laws, and are excluded from ASIC licensing.)

Before you run a free search to find out if a business is licensed, read the rest of this page about:

- [Who must be licensed?](#)
- [How to check out a business or adviser you want to deal with](#)
- [Searching our AFS Licensees Register](#)
- [Searching our AFS Authorised Representatives Register](#)

Who must be licensed

Under the law, any business or person that offers or advises you about financial products must either be:

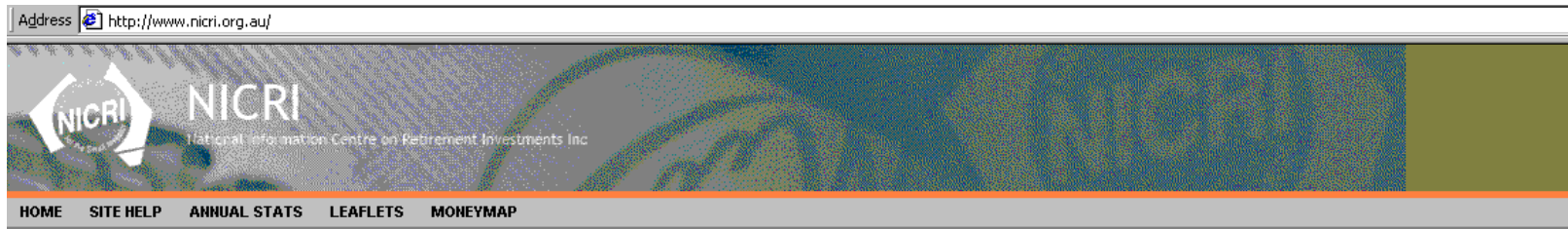
- an Australian Financial Services (AFS) licence holder (often referred to as an AFS licensee),
OR
- a director or employee of an AFS licence holder,
OR
- an Authorised Representative of an AFS licence holder.



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What to Consider when Choosing a Financial Planner

www.nicri.org.au



Our Objectives

Selecting a Financial Planner

Investing for retirement will require you to make some of the most important financial decisions of your life. There are many investments available for purchase suitable for your particular situation. Financial planners are people who may be able to help you choose the right investments to achieve your financial goals.

General Info

Selecting a planner is an important decision. You should choose a planner you feel comfortable with and can trust. Remember that financial planners earn the advice and selling products. How they receive payment will vary and may be from:

Guide to
Financial
Planning

- commissions paid by the companies providing investments from the entry or management fees you pay, and/or
 - fees charged directly to you - on an hourly basis for service - as a percentage of your investments.
- For further details on fees see page 25.

Media Articles

Checklist to Use When Choosing a Financial Planner

Financial planners are listed in the Yellow Pages Telephone Directory. You may choose one from there or ask people you know for recommendations.

Relevant Links

You may care to check if the FSG given to you has answered the following questions and, if not, seek clarification from your prospective financial adviser.

Contact Us

- Does your organisation have at least five years experience in financial planning?
- Does your organisation hold an Australian Financial Services Licence (AFS) or are you or your organisation an authorised representative of a licensee?
- Does your licence restrict the range of investments you can recommend?
- Is your organisation free of any obligation to place funds with a particular investment company?
- Do you or your organisation have professional indemnity insurance?
- Do you provide a written Statement of Advice (SoA) showing all investment fees, commissions and the total cost to me?
- Is there a fee to get a SoA?
- Does your written SoA explain the social security and taxation implications of the recommended strategies and products?
- Does your written SoA show the risk potential of investments recommended and match them to my risk profile?
- **Finally: Are there any other fees or charges about which I have not been told?**

If the answer to any of these questions does not satisfy your requirements, contact another financial planner. (Statement of Advice (SoA) referred to in this



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What to Consider when Choosing a Financial Planner

www.charter.com.au



- Why get Financial Advice
- Preparing for a Financial Planner
- Selecting a Financial Planner

[Home Page](#) > **Financial Planning Info**

Financial Planning Info

Sound financial planning is necessary if you want to enjoy a secure financial future - no matter what you aim to achieve how much money you earn. A formal financial plan is a long-term strategy that aims to create your wealth and maintain manage it throughout your life.

Charter for Clients

- [Preparing for Your Financial Planner](#)
The personal financial review process is one which begins with defining your needs, objectives and current situation.
- [Selecting a Financial Planner](#)
How do you find a financial planner who is qualified to meet your needs?
- [Financial Advice](#)
What is financial advice, benefits of financial advice and the process involved.



Providing Strategic Financial Advice

Summary

- The Financial Planning Process
- Fees and Costs
- Disclosure Rules
- What to Consider when Choosing a Financial Planner



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