



Batting for the right team

Having the courage of his convictions has helped take Julian Battistella to the top in the Financial Planner of the Year 2007 awards.

It's fitting that Julian Battistella has been named *Money Management's* Financial Planner of the Year 2007 only one week before he leaves Wilson HTM Investment Group to launch his own boutique planning business.

After all, one reason the judges gave Battistella the award was for establishing and building the financial planning practice of the Melbourne branch of Wilson HTM from scratch.

He will leave Wilson HTM next week to launch Battistella Financial Planning after spending the past six years nurturing the Wilson HTM business to a total funds under management (FUM) of \$150 million.

The move is a "natural progression" from his two previous jobs, both of which required him to set up a financial planning business, he said.

"It's not actually going to be that noticeable for me to find myself self-employed as I've operated a business within a business for the last six years anyway."

Before joining Wilson HTM he spent two years at style firm Inch Corp, also launching and running an online financial services business.

A career-long conviction that fee-for-service is the ideal financial planning model also motivated the award judges' decision this year.

This conviction is a "real reflection" of his employment at Deutsche Bank, where he was employed as a planner for several years prior to joining Inch

Corp in 1997.

"Fee-for-service as a concept was drummed into me at a very formative stage of my planning career, and it is something that I came to believe in and have never let go of.

"The bank was very progressive in the sense that it recognised that advisers need-



Fee for service as a concept was drummed into me at a very formative stage of my planning career, and it is something that I came to believe in and have never let go of.



ed to be selling advice as opposed to selling products, and they needed to price that advice appropriately."

Battistella feels that making the transition to fee-for-service "a decade before most others" in the industry has given him a distinct advantage now compared to commission-based planners.

"You've got to have a lot more clients if you are operating on a commission basis, as you are getting paid less by pushing product than by charging a fee for advice.

"On the other hand, to try and transition these clients to fee-for-service is an

enormous commitment for a planner, and requires, effectively, that the planner begins a relationship with them all over again.

"It may take a year to transition all of your clients, which is going to impact adversely on your business because it is time that could have been used on getting

new clients."

While Battistella sees platforms as instrumental to client service, he holds dear the value that a planner should receive no hidden benefits from any client portfolio.

"Any rebates from fund managers in 100 per cent of circumstances goes back to our clients," he said.

Battistella said he deliberately aligned himself with the NAB group and predominantly uses its MasterKey Custom platform because it "refuses to accept or charge shelf space fees".

"As opposed to planners that recom-

mend platforms because they are getting equity in the underlying business, I want all conflicts to be removed from any advice I give to clients," he said.

Another value he cherishes is being "completely unbiased" when it comes to advising clients on whether to buy management funds or direct assets.

"I will not drive anybody into managed funds or listed securities. Instead, I will decide together with the client whether they should have direct shares or managed funds in their portfolios."

On the outlook for the planning industry, he believes there is "still some way to go in terms of gaining acceptance by the general community, although this is increasingly changing for the better".

However, he added that it is "most unfortunate that the planning industry is getting such a negative rub from the industry super funds".

"In fact, their campaign is a real disservice to the entire financial services industry, as it is criticism that does not recognise the impact of good quality planning advice."

Personally, he takes comfort in "knowing that my clients value the advice I provide as much or more than what they get from their accountant and/or lawyer".

His strong sense of values will extend to the welfare of the staff he will be employing in his new business, which he hopes ultimately to grow to FUM of \$1 billion.

A key goal, for example, is to be able to "manage my staff in a manner that respects their personal career objectives", something he said is not always possible in larger companies.

— Liam Egan

Money Management

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Practice builder wins planner award

By Lorna Thornber

TALENT, tenacity, a commitment to providing top-quality advice at the lowest cost possible and a substantial contribution to the wider financial planning community has seen Melbourne-based Julian Battistella take out the *Money Management* Financial Planner of the Year 2007 award.

Judges cited Battistella's success in setting up a financial planning division at stockbroking firm Wilson HTM's Melbourne branch and turning it into a well-regarded business with \$150 million in funds under management (FUM) in just six years as one of their key reasons for awarding him the penultimate prize.

Judges were also impressed by Battistella's entrepreneurial spirit and dedication to developing an efficient, ethical and transparent financial planning model that consumers understand and appreciate.

After six years with the Wilson HTM business, Battistella is set to launch his own boutique practice, Battistella Financial Planning, which he said would deliver comprehensive and completely unbiased advice using a fee-for-service model, help staff to achieve their personal career goals and, ultimately, grow to



FINANCIAL PLANNER OF THE YEAR 2007

WINNER: Julian Battistella
HIGHLY COMMENDED: Peter Roan

\$1 billion in FUM.
Battistella, who was the runner-up in

last year's awards, has shown a career-long commitment to professionalism and promoting the value of advice to the general public. He considers fee-for-service the ideal financial planning model, believing it encourages consumers to recognise the value of good-quality planning advice and better enabling it to be priced appropriately.

Orange-based (NSW) Peter Roan received this year's highly commended award, impressing judges with his superior entrepreneurial skills and commitment to professionalism and service not just to the financial services sector, but the community as a whole.

He has made an enormous contribution to financial planning via his roles as chapter chair for the Western Division of NSW, panel member of the Financial Industry Complaints Service (FICS) and involvement with Financial Planning Association (FPA) committees and working groups. He is an instrumental member of the FPA's Pro Bono Advice Committee, helping individuals and small businesses affected by severe drought set-up and adhere to comprehensive financial plans.

Once again, the awards – now in their 18th

Continued on page 3 >

MIA set to be wound-up

By John Wilkinson

VAN Eyk Research is seeking to wind-up research house Managed Investment Assessments (MIA) in the New South Wales Supreme Court.

Van Eyk principal Stephen van Eyk refused to comment on the action, as did former MIA director Anton Lawrence.

Lawrence closed MIA at the end of April this year and handed back the researcher's Australian Financial Services Licence on November 28.

He did confirm all subscriptions to his research service had been repaid.

Lawrence has subsequently become chief investment officer at Western Australian property fund manager Aspen Group.

According to documents lodged by van Eyk in the Supreme Court, the researcher is looking to have a liquidator appointed to Melbourne-based MIA and seeks costs for the winding up action.

MIA was providing property investment research to van Eyk but was replaced by Adviser Edge, which is providing research on both property and agribusiness investments.

ASIC action set to stymie FICS

By Liam Egan

THE decision by the Australian Securities and Investments Commission (ASIC) to take legal action on behalf of Westpoint investors has thrown into jeopardy 40 complaints by Westpoint investors to the Financial Industry Complaints Service (FICS).

This is the result of section 50 of the ASIC Act – under which ASIC is pursuing legal action

against an initial five financial planning dealer groups – inadvertently coming into conflict with current FICS operating rules.

Section 50 of the ASIC Act enables the regulator to undertake civil proceedings for damages for investors in cases where ASIC considers the proceedings to be in the public interest.

On the other hand, FICS' rule 14.1 (n) prohibits FICS from dealing with a complaint, or contin-

uing to deal with a complaint, where the complainant commences legal proceedings relevant to that complaint.

ASIC and FICS are currently liaising on how this conflict will affect the current 40 FICS complaints, as well as the impact on FICS of any decision ASIC takes to pursue additional dealer groups over Westpoint.

ASIC, which will be seeking \$63 million in damages from the

five dealer groups, has already announced (in media release 07-291) that it is considering action against additional dealer groups over the failed property scheme.

The two bodies have so far agreed that FICS should continue processing the current 40 cases until ASIC actually launches its Westpoint proceedings, which is expected to occur early next year.

In order for ASIC to launch

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Look closely at

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Practice builder wins planner award

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year – attracted entries of an extremely high calibre. Judges evaluated entrants' career achievements, practical application of advice principles, contributions to the financial planning profession and service to the community at large.

As *Money Management Financial Planner* of the Year 2007, Battistella wins a trip to the 2008 US Financial Planning Conference in Boston, Massachusetts, to the value of \$10,000.

He will be presented with his award at the *Money Management Fund Manager* of the



Peter Roan

Year Awards next year.

■ For full details on the results of the *Money Management Financial Planner of the Year award*, see page 20.

ASIC action set to stymie FICS

► Continued from page 1

proceedings under section 50 on behalf of an individual, that individual must give ASIC written consent for the action to proceed, which has not yet occurred in the Westpoint case.

However, the conflict between the two sets of regulations will effectively require an investor to drop their Westpoint complaint through FICS once they have given ASIC written consent.

FICS chief executive Alison Maynard agreed that "after ASIC proceedings are issued, (Westpoint) consumers will actively need to decide whether to continue with their FICS complaint or participate in the ASIC proceedings".

"Some of the 40 FICS complainants affected (at this stage) by the pending ASIC legislation have already advised FICS that they want their complaints to stay with FICS," she added.

Specialist financial planning lawyer Mark Halsey said "no further FICS fees



Alison Maynard

should be incurred by AFSL [Australian Financial Services Licence] holders subject to FICS complaints that are now part of ASIC's proposed section 50 actions".

"My concern about this process is that such an investor will have already caused the licensee to meet all of the FICS fees and expenses in dealing with the FICS system.

"If the FICS complaint is discontinued, there does not seem to be any recourse to the AFSL holder – who will now face new and additional expenses – to recover the FICS-related expenses," he said.

Merry Christmas

THIS is the last edition of *Money Management* for 2007. Our next edition will be published on January 17, 2008. We wish all our readers a Merry Christmas and a happy and prosperous New Year.

New industry heavyweight

By Mike Taylor

ING Australia's acquisition of FSP Group in early December not only served to end rumours that had been circulating since late September, but also created one of Australia's largest-ever tied planner networks.

The acquisition sees Tandem Financial Services fold into the new group, and at least confirms the reason why rumours were circulating in September suggesting Tandem would be folded as an entry into sister dealer group Millennium 3.

Those rumours, relayed to Tandem general manager Andrew Doquile by *Money Management* in late September, were strenuously denied.

Doquile will now assist with the integration of the new group and, according to the ING announcement, "depart once this has been completed".



Andrew Doquile

ING Australia said it would be paying in excess of \$50 million to acquire 100 per cent of FSP Group – a move that would see it propelled into an industry-leading position with respect to aligned advisers, with 1,500 advisers within its distribution network.

It said the new combined group, to

be called Financial Services Partners, would be comprised of 110 firms, 222 advisers and 300 support staff.

ING said current FSP management would remain in place, with FSP's current chief executive Geoff Rimmer and chairman Dr Frank Wolf leading the combined group.

Commenting on the acquisition, ING Australia chief executive Paul Bedbrook said the FSP Group would enhance ING Australia's distribution footprint and boost ING Australia's total aligned adviser network to 1,500, making it one of the largest in the industry.

He said this was made up of Millennium 3's 600 advisers, ANZ Financial Planning's 432 advisers, RetireInvest's 220 advisers and FSP's 222 advisers, which now includes Tandem and ING Financial Planning's 30 advisers.

Trends may change

Retail property continues to deliver

Most investments go in and out of fashion, but over the past 20 years Australian retail property has been the asset class that has continued to deliver:

- High returns with low volatility/risk;
- Stable, tax-advantaged income; and
- Strong capital growth.

Returns and Volatility – 20 years to March 2007		
	Volatility (% Pa)	Returns (% Pa)
Fixed Interest	4.5%	9.9%
Overseas Shares	14.4%	7.3%
Retail Property	2.4%	13.4%
Australian Shares	16.2%	11.0%

Source: Atchison Consultants.
(Past performance is no guarantee of future performance).

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Finding the Financial Planner of the Year

THIS is the 18th year *Money Management* has conducted the Financial Planner of the Year Award, with the aim of recognising and rewarding excellence in the provision of financial advice.

The prestigious award requires nominees to submit entries that highlight their

contribution to the financial planning profession, their career achievements to date and their service to the community at large.

As was the case last year, nominees are also required to complete a questionnaire into their practical application of advice principles

such as improvements made to the quality of advice provided, the approach employed to non-advice clients, the amount of time spent in face-to-face meetings and how the selling of a service was ensured as opposed to the selling of a product.

Judges used a set scoring system to evaluate applications, with a total figure arrived at for each individual. While the judges used a set scoring system to evaluate application they also took into account other factors such as the entrant's track record in the industry.

This year's winner receives a trip to the 2008 US Financial Planning Association annual conference to the value of \$10,000.

The winner will be formally recognised at the *Money Management* Fund Manager of the Award ceremony.



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HALL OF FAME FINANCIAL PLANNER OF THE YEAR

- 2007 Julian Battistella
- 2006 Neil Kendall
- 2005 David Haintz
- 2004 George Flack
- 2003 Nick Bruining
- 2002 Robert Kiddell
- 2001 John Wotherspoon
- 2000 Dominic Alafaci
- 1999 Peter Dunn
- 1998 Kevin Bailey
- 1997 Neil Heriot
- 1996 George Flack
- 1995 Ray Griffin
- 1994 Geoff Crowe
- 1993 Neil McKissock
- 1992 Bill Bunday
- 1991 Neil McKissock
- 1989 David Worley

Strategy over product drives good planning

With a client-centric approach to planning, Julian Battistella has once again been highly commended in the Financial Planner of the Year awards.

A strong belief in the value of strategy advice rather than product advice combined with a passion for managing clients' financial affairs in a proactive manner helped Julian Battistella, licensee representative of stockbroking firm Wilson HTM Investment Group, take out the 'highly commended' category of the 2006 Financial Planner of the Year Award.

Battistella said he is absolutely committed to his clients, and despite being challenged at various times to shift his focus to providing product-driven advice, he has stuck to strategy advice.

"Early on in my career, I was regularly challenged by some advisers to focus more on product advice, as that is how financial planners get paid," he said.

"I refused to accept this as I felt very strongly – as I still do – that the profession of financial plan-

ning will one day in the future be regarded as just another profession, alongside medicine, law and accounting.

"Clearly ... those who focus on strategy as opposed to product advice will help this shift take place sooner rather than later."

According to Battistella, the ingredients for a successful financial planning practice are high quality staff, common goals between staff, employer and clients, transparency and flexibility to advise on the full offering of financial planning products, strategies and services.

He is a strong believer that planners should not be under pressure to sell in-house financial products to clients.

"I recognise that clients pay fees for the provision of ongoing advice and expect to receive it," he said.

One way he tries to ensure that



Julian Battistella

he delivers the highest possible service to all his clients is by keeping his client base at a manageable level.

"An adviser should always be looking for opportunities to proactively contact a client with the aim of fine tuning their existing strategy to account for legislative changes, changes in personal situation such as reaching age 55 or 65, death of a family member and so on.



"Advisers should always keep their clients fully informed. A client appoints and pays an adviser to obtain peace of mind in that their financial affairs are constantly being looked after and optimised by an adviser they trust and who is approachable and easily accessible," he said.

He is a strong advocate of the need for advisers to form part of an integrated approach characterised by co-operation between other specialists, including tax lawyers, accountants and superannuation administrators, "to ensure the full suite of services can be delivered to a client at all times".

Battistella also pointed out that he tries to give back to the industry and to the community in which he lives and works.

Until the middle of this year, he was chairperson of CFP 1 – Professionalism, Ethics and Compli-

ance, having served in this role since 2000.

He has also been a member of the NAB National Advisory Board for the past two years and has served on various committees of the Financial Planning Association (FPA).

As a Victorian, Battistella is a keen supporter of Australian Rules football, and has helped to foster this sporting interest among the children of his local community through his coaching role with the Auskick program, as well as coaching an under-9s team.

He is also president of St Roch Primary School's Parents and Friends Association and recently applied for a role as committee member of a Catholic Secondary Education Scholarship being established within the Melbourne Archdiocese.

Along with a number of others

Judging Panel



Gwen Fletcher

Money Management would like to extend its warmest thanks to the members of this year's judging panel. In addition to editor Mike Taylor, this year's judges included the following representatives of the financial services community:

Gwen Fletcher

Gwen Fletcher continues to be the undisputed doyenne of the financial planning industry. She was the first Australian woman to become a member of the USA International Association for Financial Planning (IAFP) and is widely acknowledged as



Jim Stackpool

the driving force behind the establishment of the profession in Australia through the formation of IAFP Australia (now the Financial Planning Association [FPA]). She is also founding principal of Fletcher Green Financial Services (now part of Financial Index Australia), founder of the Investment Training College and founding president of the Association of Financial Educators.

Jim Stackpool

Managing director of Strategic Consulting and Training, Jim Stackpool has built a reputa-



Brian Thomas

tion for improving the profitability of financial planning practices throughout the country. He is also chair of the Practice Management Task Force for the Securities Institute Advance Diploma of Financial Services (Financial Planning).

Brian Thomas

Brian Thomas is head of retail funds management at Perennial Investment Partners. Prior to this he was managing director and head of distribution for Credit Suisse Asset Management in Australia. He has been in the industry since 1977,



David Haintz

working in the pension and mutual fund industry covering asset consulting, product development, marketing and research. Thomas has been an active participant in a number of industry bodies and government committees and is a regular industry commentator on personal investment issues.

David Haintz

David Haintz is the founder and principal of Haintz Financial Services and has 17 years experience in the personal financial and investment profession. He is an active mem-



Jason Menzies

ber of the FPA and was an examiner at its Value of Advice awards this year. Haintz is last year's Money Management Financial Planner of the Year.

Jason Menzies

Jason Menzies has held senior roles at Tribeca, including head of financial planning (current), head of distribution and head of technical services. Prior to joining Tribeca, he worked as a technical consultant at AMP's Tapin help centre and previously worked as a financial adviser and self-managed superannuation fund accountant.

Footy and finance: a good mix

Julian Battistella has two passions: fee-for-service and Aussie rules football.

Committed Collingwood supporter and senior financial planner Julian Battistella began his career at the ANZ Bank at the tender age of 18.

Now with a mature practice of established clients, and over \$65 million in funds under advice, Battistella has been highly commended in this year's Financial Planner of the Year Award.

Battistella, licensee representative of stockbroking firm Wilson HTM, says that ever since he can remember, he has been interested in managing money.

"When I was exposed to financial planners in the very early days, I thought that it seemed a pretty exciting industry to be in, but also one with great opportunities."

He has since made the most of those opportunities, gaining a CFP in 1999. He now chairs the Financial Planning Association's CFP program, with



Julian Battistella

responsibility for the professionalism, ethics and compliance course.

Compliance is an issue that Battistella feels strongly about.

"I'm astounded when I see people talking about compliance suddenly becoming a big issue," he says.

"From the time I joined I've been very aware of compliance, and it is just a natural part of the advice and business I'm in.

"I guess compliance issues have increased significantly within the industry, but it hasn't been a negative issue for me because I've grown up with it," he adds.

2005
Financial Planner of the Year
Highly Commended

After moving to a fee-for-service model seven years ago, Battistella says the change to his business has put him in good stead "for some of the pressures that face other financial planners within the industry that are still working on a commission basis".

He also says it has enabled him to focus on strategy, rather than sales.

"What I love about what I do is that it has nothing to do with products. It's all about strategy, so clients can sit down with me and I can get their agreement to pay me to provide a strategic financial plan that isn't dependent upon the client investing money in a product," he adds.

All fees charged to a client are transparent, and consist of hourly rates for initial advice, implementation and ongoing advice.

Wilson HTM also allows Battistella flexibility.

"One of the main reasons I joined

them was because I was given the freedom to recommend a wide range of investment products and services. Additionally, there are no formal requirements for me to recommend a particular product or service over another. This is reflected by the fact that I currently do not recommend any in-house managed funds to my clients."

Battistella has a strong commitment to improving the professionalism of financial planners. He is an incumbent member of the National Australia Bank's Wealth Management National Advisory Board, which brings together planners from around the country to discuss high level and complex financial planning issues.

As a keen Australian Rules fan, Battistella is involved in the East Malvern Auskick program, where he coaches primary school children every Saturday morning.

He is also a president of St Roch's Primary School Parents and Friends Association, and a founding member of St Cecilia's Young Business Persons Group.

In addition, Battistella is in the process of trying to set up a charitable foundation for disadvantaged families in his local area.

The Australian property market's getting tighter. Do you:

squeeze in? look for a larger place?

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