

Who Needs A Financial Planner?

People like Dazza are great to have as friends, but you shouldn't rely on them for good financial advice. Look instead to a licensed professional in financial planning.

You've probably seen the recent adverts on television where Dazza is giving his friends some advice on investing. One of his best tips was to *"Buy the horse and back it for twice the winnings! Ker-Ching!"*

Whilst Dazza is probably a great friend in many respects, you would be better off taking financial advice from someone qualified to give it – a financial planner.

Why Do You Need Professional Advice?

There are many reasons why you might need professional advice. For example:

- You want to plan for a comfortable retirement
- You want to make sure your family is protected with the right insurance in case something happens to you or your partner
- You are planning on making an investment, for example in property or shares
- You are starting your own business.

In fact, regardless of your goals or the amount of money you have, you can still benefit from the financial advice provided by professional financial planners.

So How Can A Financial Planner Help?

A financial planner can offer advice on investments, estate planning, superannuation, taxation, and insurance.

A financial planner will normally use a six-step process to help you work out what you may need to do now and in the future to reach your financial goals. These steps are:

1. Collecting your financial data
2. Identifying your goals

3. Identifying where you are now, and where you want to be
4. Agreeing to a plan that identifies recommended investments and takes account of your attitude to investment risk
5. Implementing your financial plan
6. Reviewing your plan on a regular basis to ensure it stays up-to-date and relevant to your goals and circumstances, and takes account of the changing economic climate.

The advice given by a financial planner will be presented in a written Statement of Advice. This ensures that you are both clear on the advice they've given you; the information on which it's based; how they get paid (including any commissions); and any interests, associations or relationships that could influence them.

What Makes A Good Financial Planner?

It is important that you can relate well to your planner. After all, you will be sharing your financial details with them, and relying on them for financial advice that will affect your future.

It is also wise to ensure that your financial planner is a licensed professional. The Australian Securities and Investments Commission ("ASIC") is responsible for licensing financial planners in Australia. To achieve this license the financial planner will have met standards in terms of education, professional conduct, ongoing training, compliance and disclosure. They should also be covered by professional indemnity insurance.

They may also be a member of a professional body, for example the Financial Planning Association of Australia ("FPA"). The FPA is the peak professional association for financial planning in Australia, with 9,000 practising financial planners enrolled as Members.

These Members commit to a code of ethics, rules of professional conduct and continuing professional development.



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Sources

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 2. Financial Planning Association website www.fpa.asn.au
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