

CGT-friendly platform launched

Darin Tyson-Chan

Perpetual has enhanced its WealthFocus product to include an offering called Investment Advantage, which will allow investors to switch between fund managers within the platform without triggering a capital gains tax (CGT) event.

Investors who place their money in WealthFocus Investment Advantage will now buy units in the platform itself as opposed to units in the individual underlying managed funds. "Investment Advantage allows investors in a non-superannuation environment to invest across a range of 76 managed funds with three specific tax benefits. One is there is CGT-free switching between investment options. The second one is what we call partial withdrawals before CGT occurs, and the third one is after 12 months goes by after the initial investment all gains are long gains," Perpetual group executive of platforms and structured products Eric Wang said.

The partial withdrawals feature means an investor can draw down in their initial investment and will not incur any CGT until the original amount is fully expended.

The tax-effective nature of the product has been supported by a specific ruling from the Australian Taxation Office.

The new platform structure has been borne out of a combination of two existing Perpetual products: the original WealthFocus platform and Investor Choice, which was a product that allowed investors to move between asset groups rather than unit trusts but only had eight underlying investments on offer.

Perpetual will continue to run WealthFocus in its original form for existing customers as there is no automatic process for them to switch to the new structure without triggering a CGT event. □

Executives under microscope

Julie May

Company directors and executives need their performance assessed more frequently and rigorously, according to a survey by independent management consultancy SSAMM.

The review, conducted across 25 large Australian financial services companies, highlighted that the lack of thorough assessment at an executive level was of much concern, SSAMM director Ulysses Chioatto said.

The issue was first raised at this year's Responsible Officers and Managers Forum, facilitated by the consultancy group.

"Methods of thinking, communication styles and decision-making processes were the critical areas that needed regular assessment attention, according to survey participants," Chioatto said.

"Most felt there was little in place to measure the importance executives placed on legal responsi-

bilities and duties of care.

"Participants acknowledged there were rare appraisals of executives and when there were, they focused more on bonuses than leadership."

Few believed assessors had the proper training to conduct an appraisal and many thought there was inherent bias in the person conducting the appraisal, according to the survey.

"Those interviewed felt executive assessment tools available were inadequate, outdated and inappropriately applied by poorly-trained practitioners and pop psychologists," Chioatto said.

"Participants also commented that various industry bodies had also expressed concern at the lack of rigour in executive assessments conducted at their organisations and that it was time the issue was out on the table for serious industry debate." □

Awards recognise insurers, advisers

Julie May

Groups and individuals were recognised through awards handed out at the National Insurance Brokers Association's (NIBA) 26th annual convention, while others in the planning industry received gongs at dealer group Financial Wisdom's annual awards ceremony.

The NIBA General Insurer of the Year award went to QBE Australia for the seventh-year running.

NIBA brokers around the country ranked insurers on the best overall performance, specifically in relation to product and service quality factors.

Zenith Insurance Services senior account manager Ian Poustie won the 2008 Warren Tickle Memorial Award, a prize that recognises young insurance brokers who exhibit an outstanding level of professionalism and integrity.

Poustie was a driven and intelligent executive and a great young ambassador for the insurance broking industry, NIBA chief executive Noel Pettersen said.

Jardine Lloyd Thompson executive Stephen Ball's service to the association was also recognised.

NIBA awarded Ball the Lex McKeown Trophy, which is awarded to an industry participant for outstanding service to NIBA.

Ball became NIBA president in 2004 and is involved with its education, finance and professional indemnity committees.

Financial Wisdom introduced two inaugural awards at its annual awards ceremony, with financial planning firm Wealth Wise named Practice of the Year for 2008 and Ward Financial Group adviser Cameron O'Sullivan taking out the Rising Star of the Year award. □

NEWS BRIEFS

AUSTRALIA, GERMANY SIGN SUPER AGREEMENT

Double superannuation coverage affecting employees who work in Australia and Germany will be eliminated under a new agreement.

Australia and Germany already have a social security agreement that helps people get pensions from both countries.

The new supplementary agreement, which comes into effect on October 1, will mean compulsory superannuation and social security contributions will no longer be made into both countries' systems when an employee is temporarily sent to work in the other country.

SMSF ASSETS CLIMB

Assets held in self-managed superannuation funds (SMSF) for the June 2008 quarter stood at \$358.3 billion, new Australian Taxation Office (ATO) statistics show.

While it seems there has been a significant jump in the assets held, a large part can be explained by the ATO's use of more recent tax return data from the 2006/07 tax year to compute the numbers.

The new tax data saw the total estimated SMSF held assets at March 2008 to be \$347.7 billion, as opposed to the previous figure published by the Australian Prudential Regulation Authority of \$286.1 billion.

THREE DEPART AUSTOCK AM

Austock Asset Management (Austock AM) has revamped its Australian equity business, resulting in the departure of three key staff.

Austock AM investment manager Stuart Larke, equity analyst Wesley Nation and investment manager Adam Scully have all accepted redundancies.

Austock AM managing director Alan Sheen will be responsible for Australian equities, and will be supported by Matt Condon as quantitative analyst and dealer.