

# Show me the money

Money doesn't make you happy, but neither does losing it. Twenty influential Australians reveal their financial life lessons.

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**F**OR MONEY GURU Paul Clitheroe, the current global financial crisis justifies his self-proclaimed dull approach to investing. What has the meltdown taught him? "That my boring, very public advice to spend less than you earn, pay off your home, build super, take care with debt and invest for the long term in quality shares and property is not bad advice—in particular if, like me, you like to sleep well at night."

Inevitably, there have been winners and losers from the crisis. Keynesian economic theories are back in vogue, and American speculator George Soros — one of a select few to anticipate the economic tsunami — claims to have made billions out of the downturn. Others have not been so lucky. Once-proud financial institutions such as Lehman Brothers and Babcock & Brown have collapsed, and the fortune of News Corp's Rupert Murdoch is reportedly down from \$7.9b last year to \$3.38b.

The crisis has shown that those with cash in hand will fare better than those with a mountain of debt. The prices of property, shares, cars, etc are falling quickly, so if you have spare cash you stand a good chance of getting a bargain. Elsewhere in the markets, tumbling share and superannuation fund values are hurting retirees, while there may still be a dollar to be made from mining and energy interests despite falling commodity prices.

The immediate financial outlook is murky. With Treasurer Wayne Swan bemoaning the fact that about \$200b has been stripped from government revenues because of the global financial crisis, there is a widespread belief that the Federal budget will not return to surplus until at least 2015. Pensioners were among the few winners in a horror May 12 budget that saw middle-class welfare take a hit, while concessions on superannuation funds were also wound back. Will the Government's \$42b stimulus package saddle future generations with heavy debt? Could the great Australian dream of owning a home vanish? There have been signs of a property rebound, but the unknown factor is unemployment. Interest rate cuts will not help much if you lose your job. Business researcher BIS Shrapnel expects unemployment to surge from 5.2 per cent to above 7 per cent this year, meaning hundreds of thousands of jobs are on the line.

On the back of its stronger financial regulatory system, Australia is better placed to weather the financial crisis, although economic forecaster Access Economics says the Rudd administration will be forced to choose between its infrastructure priorities and more populist welfare bailouts.

But Clitheroe will try to ensure financial waves do not detract from his love of life. "There is no point being the richest person in the graveyard." ➤



# 01

## GIAM SWIEGERS

Chief executive officer  
Deloitte Australia  
(professional services)

**\* The best investment I ever made was...** taking my executive team to a top business school every year.

**\* My biggest financial mistake has been...** investing in businesses I don't understand. **\* The most valuable piece of financial advice I have received is...** invest in companies with "sticky clients" – not in companies that could easily lose their customers. **\* The financial adviser or source I most trust is...** my gut – after reading widely. **\* One of the myths about making money is...** that there is an easy way. **\* People worry too much about...** predictions. Spend your time on preparedness.

**\* I have a hunch that...** we will see things turn positive sooner rather than later.



# 02

## PETER SWITZER

Founder Switzer Financial  
Services, host of *Talking  
Business on Q Radio*

**\* The best investment I ever made was...**

without doubt our \$54,000 purchase of a cottage in Paddington in 1979. We later sold it for close to \$800,000. **\* My biggest financial mistake has been...** that I once took a fixed-rate home loan and the Asian economic crisis brought interest rates down. **\* The global financial crisis has taught me...** that when the stock market rises better than 12 per cent for four years, reduce your exposure to the market. **\* One of the myths about making money is...** shares are better than property.

**\* I have a hunch that...** many investors are dying to buy shares at great prices; we will see a big share-market bounce this year.

# 03

## BARB DE CORTI

Chief executive officer ENJO in Australia (cleaning products)

**\* The best investment I ever made was...** using my family's entire savings of \$40,000 to start up ENJO in Australia. That was 15 years ago and today ENJO is a multimillion-dollar cleaning products business. **\* My biggest financial mistake has been...** undertaking a very expensive advertising campaign at the wrong time of the business cycle. **\* The global financial crisis has taught me...** well, not so much taught me, but confirmed, the cyclical nature of everything. **\* The most valuable piece of financial advice I have received is...** if you feel something is right and you are passionate about it, it's a great idea so go for it. **\* People worry too much about...** the future and neglect to take action today that would secure the future. **\* I have a hunch that...** I won't win Lotto, so I'll keep on doing what I'm doing and enjoy it.

# \$40k



**" I won't win Lotto, so I'll keep on doing what I'm doing and enjoy it "**

# 04



## MANDY FOLEY-QUIN

Managing director Stedmans  
(hospitality), winner of  
Veuve Clicquot Business  
Woman Award 2009

**\* The best investment I ever made was...** buying my home – the worst house on the best street. **\* My biggest financial mistake has been...** not

understanding my business partner didn't have the same vision... It ended in disaster, with me being responsible for the money borrowed to fund the expansion. **\* The global financial crisis has taught me...** to keep debt low and motivate staff to understand great opportunities are out there as long as they keep an open mind. **\* The most**

**valuable piece of financial advice I have received is...** to run a cash-flow-positive business. **\* One of the myths about making money is...** that it comes easily. **\* People worry too much about...** how much money they have. **\* I have a hunch that...** people with sound business practices and innovative ideas will prosper. **>**





# 05

**HUGH ELVY**

Head of financial planning & superannuation, Institute of Chartered Accountants in Australia

\* **The best investment I ever made was...** keeping my parcel of BHP shares 20-odd years ago. \* **My biggest financial mistake has been...** not starting earlier in planning, investing and purchasing assets. \* **The global financial crisis has taught me...** to keep things simple. \* **The most valuable piece of financial advice I have received is...** to take a long-term view. \* **One of the myths about making money is...** only those with money can make money. \* **People worry too much about...** looking for the quick buck.

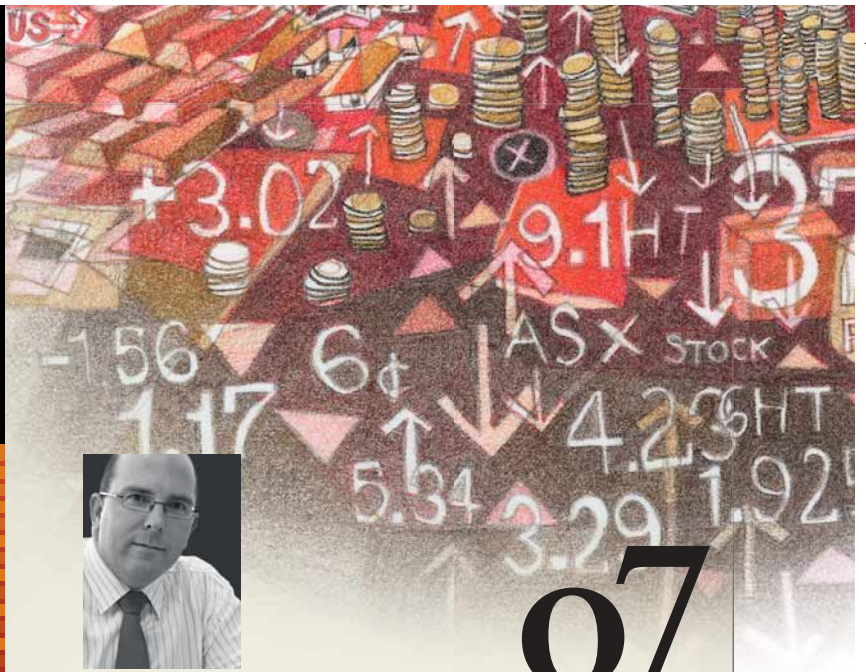


# 06

**RICK ALLERT**

Chairman Tourism Australia

\* **The best investment I ever made was...** a vineyard with a cottage and spare land in 1980. \* **My biggest financial mistake has been...** selling blue-chip shares to finance home purchases. \* **The global financial crisis has taught me...** nothing is ever certain. \* **The most valuable piece of financial advice I have received is...** use leverage wisely. \* **One of the myths about making money is...** property values will never fall. \* **People worry too much about...** short-term returns. \* **I have a hunch that...** the stock market will predict an economic recovery about 12 months before it actually happens.



# 07



**MICHAEL FINGLAND**

Managing director Vantage Performance (corporate consultancy)

\* **The best investment I ever made was...** my first car, a Morris Major Elite I bought for \$200. It was going to cost \$600 to get it roadworthy; I sold it to a collector for \$400. \* **The global financial crisis has taught me...** it has reinforced our view that clients need to have a robust cash flow and working capital control, a close relationship with financiers, regular

review of their product and customer margins, and to prepare their business so they are in better shape than competitors when the economy starts to improve. \* **The most valuable piece of financial advice I have received is...** to make decisions after taking into account the impact on margins and cash flow. \* **People worry too much about...** what they can't control. \* **I have a hunch that...** the recession is going to take a bigger toll than most people are willing to admit.

# 08

**SUE FORRESTER**

Chief executive officer CEO Institute, Queensland

# trust



**... trust is not a word I can use comfortably about financial advisers**



\* **My biggest financial mistake has been...** signing up for a superannuation product I didn't understand straight out of university. The product's exit penalties are unconscionable, performance has always been ordinary and the financial adviser for the product is long-gone. \* **The financial adviser or source I most trust is...** trust is not a word I can use comfortably about financial advisers. My husband and I have had a long-term, conservative wealth-creation plan we've stuck to over the past 20 years. \* **One of the myths about making money is...** that it's easy. \* **People worry too much about...** keeping up with the latest must-haves. \* **I have a hunch that...** [former US Secretary of State] Colin Powell is right – he said: "Perpetual optimism is a force multiplier." The press will tire of peddling gloom and concerted optimism will bring confidence back to our markets and communities. >



## 09

**MORAY McDONALD**  
Managing director Esanda  
(finance company)

\* **The best investment I ever made was...** £18.50 for a marriage licence in 1984. Returns? Incalculable.

\* **My biggest financial mistake has been...** not leveraging – practically a crime in property obsessed Australia. Having spent my professional life lending money, I still have an aversion to being in debt.

\* **The global financial crisis has taught me...** timing is everything.

\* **The most valuable piece of financial advice I have received is...** even if an asset “owes” you money, if it is more likely to fall than to rise, sell it.

\* **One of the myths about making money is...** it bestows wisdom.

\* **People worry too much about...** celebrity. When Katie and Tom spontaneously combust I shall get interested.



## 010

**LEISEL JONES**  
Olympic swimming champion

\* **The best investment I ever made was...** my property investments. I have always bought wisely and never out of my price range.

\* **My biggest financial mistake has been...** not having a strict budget. I like to shop.

\* **The most valuable piece of financial advice I have received is...** invest in property.

\* **The financial adviser or source I most trust is...** my Mum. She has been through some really hard times financially and she has a very sensible relationship with money now.

\* **One of the myths about making money is...** that money makes you happy. Some of the best things in life are free.

\* **People worry too much about...** being rich and famous. Some of the happiest people in life are those who make the most of everything they have.

## 012



**SAM MCKAY**  
Managing director Australia & Asia Jurlique International  
(cosmetics)

\* **The best investment I ever made was...** my house. It was a big call at the time as repayments were a stretch. Value has [now] appreciated and repayments decreased as a percentage of income.

# 011

**ELIZABETH ANN MACGREGOR**  
Director Museum of Contemporary Art

\* **The global financial crisis has taught me...** the importance of jobs in the creative sector, even though they are less well paid.

\* **The most valuable piece of financial advice I have received is...** my first [Scottish] mortgage adviser told me never to borrow more than two-and-a-half times what you earn.

\* **The financial adviser I most trust is...** my partner, who is much better at thinking about long-term investment than me.

\* **One of the myths about making money is...** that it makes you happy.

\* **People worry too much about...** making more money than they need. Giving it away is much more rewarding.

\* **I have a hunch that...** more people will turn to the public sector as jobs disappear in finance. Society as a whole will benefit if talented people are employed in a range of sectors.

# giving



**“ People worry too much about... making more money than they need**

\* **My biggest financial mistake has been...** averaging down three times on an entrepreneurial technology stock I was passionate about. I ignored fundamental reasons for the decline and lost most of my money.

\* **The most valuable piece of financial advice I have received is...** don't let emotion overrule the facts and re-examine

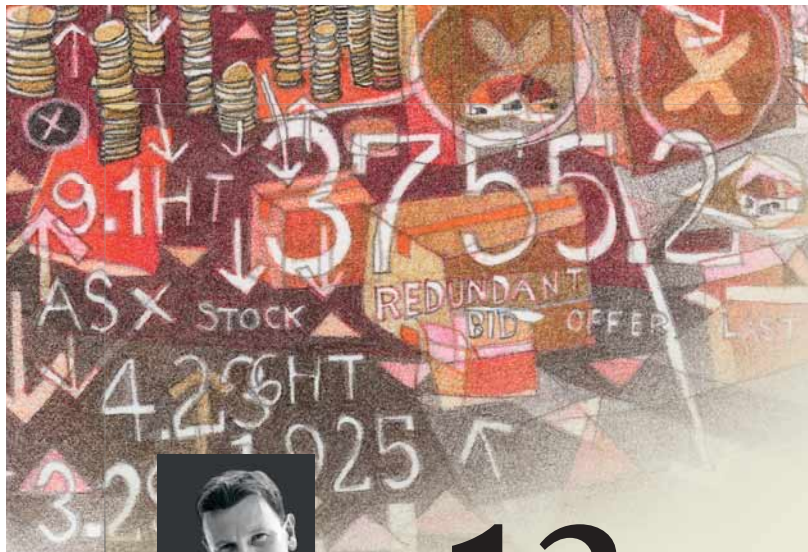
your thinking based on the current reality.

\* **The financial adviser or source I most trust is...** my father.

\* **One of the myths about making money is...** there is no such thing as an easy buck; you have to do the work.

\* **People worry too much about...** the future. Do the right things today, and the future will look after itself.





# o13

**ANTHONY BELL**  
Chief executive officer  
Bell Partners: Accountants,  
Advisors, Auditors

★ **The best investment I ever made was...** in my business. Initially I used to sacrifice the profits I was making to reinvest back in the business. ★ **The global financial crisis has taught me...** to microanalyse every facet of my business all over again, to make certain of its continued performance. ★ **The most valuable piece of financial advice I have**

**received is...** save where you can, so you can spend when you need to. ★ **The financial adviser I most trust is...** my Mum: she has pretty much taught me everything I know about money and business. ★ **One of the myths about making money is...** that people who have it, made it easily. ★ **People worry too much about...** things that they cannot control and they should focus on the things that they can. ★ **I have a hunch that...** when this economy turns, it will turn fast.



**o14**  
**ROD JONES**  
Chief executive officer  
Navitas (education provider)

★ **The best investment I ever made was...** Navitas. We put in \$220,000 to start it and the company is today worth \$800m, in effectively just over 14 years. ★ **The global financial crisis has taught me...** if something looks too good, it usually is. ★ **The most valuable piece of financial advice I have received is...** always do your homework. ★ **The financial adviser or source I most trust is...** myself. ★ **People worry too much about...** I think people generally are conservative. To be successful, particularly in business, you've got to be prepared to take a little bit of a risk.



**o15**  
**DAVID O'SULLIVAN**  
Chief executive officer  
BUSS(Q) building and construction industry superannuation fund, Queensland

★ **The best investment I ever made was...** my children's education. ★ **The global financial crisis has taught me...** how really illiquid many unlisted investment markets can be. ★ **The most valuable piece of financial advice I have received is...** diversification is the only free lunch in investing. ★ **People worry too much about...** short-term fluctuations. ★ **I have a hunch that...** markets will recover sharply in the 2009-10 financial year and people will be surprised by the handsome returns.

**o16** **SARINA RUSSO**  
Founder/managing director Sarina Russo Group (employment training)

# \$85m

**" I started my own business after being fired as a legal secretary "**



★ **The best investment I ever made was...** \$2600 in 1979 when I started my own business after being fired as a legal secretary at a time when I had a \$40,000 mortgage. Today, the Sarina Russo Group celebrates 30 years of success in a global marketplace with a turnover of \$85m, and employs more than 800 people. ★ **My biggest financial mistake has been...** when I was 23, and I bought a new Celica worth \$6000 instead of a block of land overlooking the water at Admiralty Drive, Gold Coast. Today that land is worth many millions of dollars. ★ **The most valuable piece of financial advice I have received is...** personally, property is better than purchasing shares. ★ **One of the myths about making money is...** fast cash, fast growth and big debt will lead to long-term success. ★ **People worry too much about...** making a decision. >



## o17

**ELAINE HENRY**  
Chief executive officer  
Smith Family (charity)

**\* My biggest financial mistake has been...** my first car. Unfortunately its looks were too good to be true. When the brakes failed going down a hill I was able to steer it into the gutter, but then it caught fire. **\* The global financial crisis has taught me...** all that glitters isn't gold. **\* The most valuable piece of financial advice I have received was...** from my father: he always told me to buy the best you can afford, but first save the money. **\* One of the myths about making money is...** that it can be done overnight. **\* I have a hunch that...** these tough financial times will help make Australians think about others who are much less fortunate than themselves.



## o18

**DON RANKIN**  
Managing partner Pitcher  
Partners (accountants)

**\* The best investment I ever made was...** my holiday house – a lifestyle, family and great financial investment. **\* My biggest financial mistake has been...** nothing. I am generally risk-averse, so have not made any big financial mistakes. **\* The global financial crisis has taught me...** how quickly economic circumstances can change. **\* People worry too much about...** short-term events. In this slowdown, confidence is a major issue. If we go to seven per cent unemployment then we have 93 per cent employment; it's all about the way you look at it. **\* I have a hunch that...** we are in for a tough 2009 with a slow recovery after.



## o19

**PAUL CLITHEROE**  
Chairman Australian  
Government Financial  
Literacy Board, chairman  
Money magazine

**\* The best investment I ever made was...** to start (financial advice company) ipac. It seemed like an outrageous risk in 1983, but it was a terrific investment. **\* One of the myths about making money is...** there is a magic scheme, seminar or idea to get rich quick. **\* People worry too much about...** materialism. I hope this downturn will remind us that bigger is not better. **\* I have a hunch that...** the global economy is not coming to an end. History demonstrates that we humans are highly resilient, adaptive and programmed for growth. Of course the economy will recover.

## o20



**IAN THORPE**  
Olympic swimming  
champion, businessman,  
partner Ziggybid  
mortgage brokers

**\* The best investment I ever made was...** understanding the business ventures I've been involved in. I've been reading contracts from an early age. **\* My biggest financial mistake has been...** probably not listening to my gut instinct. **\* The global financial crisis has taught me...** not to

assume that things are always going to be the same. **\* One of the myths about making money is...** that it's really easy. You actually have to work really hard at it. **\* People worry too much about...** tomorrow and don't care about today. Plan for the future, but also make sure to enjoy your life. 🌐