





BREAK — FROM THE — CROWD

Independence is the watchword of the mortgage broking industry, and these independent brokerages set the gold standard

Independent brokerages embody the entrepreneurial spirit that defines the mortgage broking industry. Many top independent brokerages operating in Australia today started out as industry pioneers, battling to break into the marketplace when mortgage broking was still a burgeoning profession. Today, these brokerages have grown from upstart challengers to highly professional operations, employing large staffs and settling some of the biggest volumes in the industry. But these businesses still retain the spirit of independence that makes mortgage broking such a vibrant industry. Read on to find out which businesses ranked as MPA's Top 10 Independent Brokerages.

METHODOLOGY

To find Australia's top independent brokerages, we approached aggregators across the country, asking them to nominate their top non-franchise broking businesses of five or more brokers. We then ranked the nominees on the total value of loan settlements for the 2011/12 financial year, the number of brokers in the business, the average settlements per broker, their total loan book size and their average conversion ratio.

A word from our partners ...

St.George Bank, BankSA and Bank of Melbourne are proud to sponsor MPA's Top 10 Independent Brokerages list, an accolade that acknowledges and recognises the hard work and dedication required to build a strong, successful business in an extremely competitive industry.

The past year has seen intense competition in the mortgage broking industry, and that level of competition creates an opportunity for the best of the best to step forward. As the industry talks about compliance, diversification, new revenue streams and reducing exposure to risk, 10 independent brokerages have stepped forward. They're standing tall and standing out.

To be named as one of the Top 10 Independent Brokerages by MPA is to be acknowledged nationally as a team to be reckoned with. Being a successful independent brokerage in today's competitive and dynamic environment is a balancing act between achieving great numbers, understanding your customers and building a business where the best people want to work.

There are many different factors that come into play when a broker helps a customer choose the right home loan, but when everything is said and done, it comes down to trust - how the broker makes the customer feel. We all know customer satisfaction and advocacy are key to achieving success and customers need to feel valued and confident their broker is giving them the very best possible advice.

There's a certain set of values a business needs to demonstrate to make it to a point of being widely acknowledge within its industry and widely acknowledged by its peers, the very same values that underpin the St.George Banking Group. Courage, working together as a team, delighting customers, acting with integrity, and being the best you can be are the traits we aspire to, which is one of the reasons we feel strongly aligned to the Top 10 Independent Brokerages list.

Congratulations to those who have made the St.George Banking Group and MPA Top 10 Independent Brokerages list for 2012. We appreciate your absolute drive and commitment to the industry, and we applaud you for setting the standard.



Darren Little,
head of intermediary
services, St.George

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"Clients keep coming back because we've surrounded ourselves with good people"
- PETER TRETHOWAN



Pinnacle Finance Brokers

Location: Offices throughout Brisbane area

Aggregator: Astute Financial

Loan book size: \$759,678,835

Annual volume (2011/12): \$153.8m

Number of brokers: 6

Average volume per broker: \$25.6m

Conversion rate: 88%

PETER TRETHOWAN, DIRECTOR

MPA: What's the benefit of setting up an independent business rather than joining a franchise system?

Peter Trethowan: Someone running their own business can build that business without all of the existing franchise agreements in place. You have a little bit more freedom. That being said, they need to align themselves with a good aggregator who's got that point of difference.

MPA: What's the secret to your success over the last year?

PT: We've always just sort of run our own race and implemented the right procedures and structures in our business. Clients keep coming back because we've surrounded ourselves with good people and good lending partners. We've got excellent brokers who are probably the top 10% in their field.

MPA: Have you looked to diversify outside of residential loans?

PT: We have in a big way. We have a full-time guy who does equipment finance. We also set up Pinnacle Wealth and Insurance about two years ago, and we have an in-house financial planner.

MPA: What would you say to a broker looking to launch their own independent business?

PT: Good luck. Seriously, though, they've got to align themselves with an experienced broker or broking group. It's difficult to start from scratch. With compliance and regulations, you especially need to make sure you're doing the right thing. There are no short-cuts anymore.



“[Diversifying] actually entrenches the client as long as you’re competitive”

- MOSHE MOSES



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Niche Lending Pty Ltd

Location: Sydney

Aggregator: Astute Financial

Loan book size: \$415m

Annual volume (2011/12): \$176.8m

Number of brokers: 9

Average volume per broker: \$19.6m

Conversion rate: 89%

MOSHE MOSES, DIRECTOR

MPA: What does it take to succeed as an independent brokerage?

Moshe Moses: You need to have a good service delivery platform that goes past just doing a deal or a single transaction. It has to be one where you look at all aspects of the client’s needs.

MPA: How has business been over the past year?

MM: We’re just as busy as ever. Everyone has the presumption the market is down and property isn’t moving, but that brings out another type of client that suits our current proposition. So we are doing a lot of property, but also a lot of commercial business.

MPA: How have you marketed your business to new clients?

MM: Our marketing is purely based on referrals or

repeat business. At present, we don’t do any advertising.

We have developed our website for introductions of the business to customers who have not yet been introduced but, for the past 10 years, we have predominantly grown on repeat business and a referral basis.

MPA: Have you diversified outside of residential mortgages?

MM: Yes. I think we are nearly there in terms of having a full financial services offering. We just have one little piece of the puzzle left, which is conveyancing.

[Diversifying] actually entrenches the client, as long as you’re competitive and offer the right level of services. It gives the client security to know they can come to one place and have access to or be provided with the prospective products or services they require.

1st Street Home Loans

Location: Rose Bay, NSW

Aggregator: National Mortgage Brokers

Loan book size: \$579m

Annual volume (2011/12): \$175m

Number of brokers: 5

Average volume per broker: \$43.8m

Conversion rate: 90%

JEREMY FISHER, DIRECTOR

MPA: Have you changed any strategies in your business over the past 12 months?

Jeremy Fisher: We’ve spent more [time] in the past 12 months in bringing financial planning in-house so we can provide an all-encompassing solution to clients. The second thing we’ve focused on is the social media space. Though we haven’t seen massive results yet, we’ve build up a big presence on Facebook, LinkedIn and Twitter. We know it’s going to be a big space in the future, and we don’t want to get caught behind.

MPA: How have you gone onboarding new brokers into your business?

JF: My business model has just evolved to one where anyone who has joined has had significant industry experience. We don’t even have any other full-time staff members in the office, just brokers. We don’t have enough hours in the day to spend with someone new to the industry.

MPA: How do you market your business to new clients?

JF: It’s only word of mouth. We have monthly newsletters that go out to our clients, and we spend a lot of time focusing on our referral partners. All our business comes from referrals.

MPA: What’s your business strategy over the next 12 months?

JF: We’ll keep building onto the new parts of the business, financial planning and commercial, while still focusing on our core business of home loans. Hopefully that will give us more exposure to clients and more reason for them to get in contact with us.

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“We’ve built up a big social media presence”

- JEREMY FISHER



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“Get out there and knock on referrers’ doors”
- SEBASTIAN SCURRIA



Better Choice Mortgage Services

Location: Balcatta, WA
Aggregator: AFG
Loan book size: \$925m
Annual volume (2011/12): \$227m
Number of brokers: 11
Average volume per broker: \$20.6m
Conversion rate: 87%

SEBASTIAN SCURRIA, DIRECTOR

MPA: What’s the secret of operating a successful independent brokerage?

Sebastian Scurria: Our secret is focusing on our core market. We’re not trying to be all things to all people. We’re not trying to morph into financial planners. We outsource all that stuff, and we stick to finance, whether it be residential, commercial or equipment.

MPA: So you’ve diversified your business outside of residential mortgages?

SS: From day one. We’ve always gone almost

completely across the spectrum of finance. We’ve done standard residential, commercial acquisitions and equipment finance from day one. Unfortunately, you find a lot of brokers are wary of any areas of finance they don’t specialise in, but they should try their hand at it, obviously with initial guidance.

MPA: What’s the benefit of operating as an independent, rather than under a franchise model?

SS: I think you’ve got to look forward to where you want to be in five years’ time. I understand a lot of people coming into the industry out of lenders want the reassurance of the umbilical cord a franchise seems to offer, and they’re happy to sacrifice their commission to get that reassurance.

What I would say is utilise that franchise fee as working capital. Get out there and be willing to knock on doors of referrers. In five years’ time, if you’re willing to cold call and show people what you can offer clients, you’ll be far better off and have more control rather than being fettered to a franchisor.

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Acceptance Finance

Location: Balwyn, Vic
Aggregator: Connective
Loan book size: \$970m
Annual volume (2011/12): \$234.3m
Number of brokers: 12
Average volume per broker: \$19.5m
Conversion rate: 87%

DANIEL DI CONZA, CEO

MPA: To what would you attribute your success?

Daniel Di Conza: For us it’s the team of people and the culture. That’s probably the most important thing. We’ve made plenty of mistakes over the journey, but it’s about keeping the right people. A lot of the people who work here feel real ownership over what we do. They don’t look at their co-workers as competition; they look at them as colleagues. We have financial planning as well, and the financial planners and mortgage brokers work with each other to create a one-stop shop for our client base.

MPA: How have you managed to incorporate financial planning into the business?

DD: Through trial and error. We got into financial planning, probably five years ago, with mixed results,

and, about two years ago, we ended up in a bit of strife with our financial planner. He left and we changed the model. We went away from a salaried employee model to a self-employed model. We’ve gotten three financial planners on board since then and they have been fantastic.

MPA: How do you ensure new employees reflect your company culture?

DD: They have to meet with not only the sales manager, but with their future potential colleagues. Our staff has as much say in the recruitment of the next person as does our sales manager.



“A lot of the people who work here feel real ownership over what we do”

- DANIEL DI CONZA, CEO





“Bill Gates once said he always hired people smarter than him”

- DAVID BRELL



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Smartmove

Location: Neutral Bay, NSW

Aggregator: AFG

Loan book size: \$767m

Annual volume

(2011/12): \$254.8m

Number of brokers: 6

Average volume per

broker: \$42.5m

Conversion rate: 90%

DAVID BRELL, MANAGING DIRECTOR

MPA: What's the secret to succeeding as an independent brokerage?

David Brell: If I had to pin it down to one thing it's backing ourselves and backing the staff we hire, and hiring the best independent staff in the marketplace. Bill Gates once said he always hired people smarter than him. Why wouldn't I listen to the words of one of the world's most successful businessmen? Having honest, hardworking staff makes or breaks it.

MPA: Why do you think it's important to empower your staff?

DB: A lot of people are too money focused. A lot of people do a massive amount of volume as an individual, but they really have four or five people behind the scenes allowing them to do that. They've got to let go of the ego and hire really good people.

At the end of the day, I didn't make this business. They did. We all did. All I did is control the environment.

MPA: What are some of the difficulties involved in launching an independent brokerage?

DB: It's years and years of putting in systems and spending the money. Aggregators don't really provide the systems. They're more involved with providing tools and software. But it takes years to earn clout with lenders and to operate within the mass market. It's a very difficult thing to do. We've been operating for 10 years. How do you suddenly step into it when someone has been in the business for 10 years and has 10 years of relationships behind them, and lenders won't want a bar of soap from you?

Australian Lending and Investment Centre

Location: Melbourne

Aggregator: Connective

Loan book size: \$663.4m

Annual volume (2011/12): \$328.2m

Number of brokers: 5

Average volume per broker: \$65.6m

Conversion rate: 89%

MARK DAVIS and KEVIN AGENT, DIRECTORS

MPA: What has led to your success in this year's Independent Brokerage rankings?

Mark Davis: I suppose we've been very true to our brand and what our business proposition is. We're dealing with high net worth clients who want to invest and have the resources to do so. To add to that, we've taken on further salespeople over the past 18 months, which gets us on track to hit half a billion in settlements this financial year.

Kevin Agent: Having past lending experience has also been beneficial. Both Mark and I had business planning and financial planning experience.

MPA: What's the benefit of launching an independent brokerage rather than operating within a franchise system?

KA: You're not stuck by the franchise policy, and you can build your own brand. Branding to me is the big one. We don't want to give away our margin to a franchise model.

MPA: What sets your business apart from other independent brokerages?

MD: It's being able to be holistic with the client, and not being seen as just a rate or product provider, but a holistic lending manager. That's what's created the speed with which we've built the business over the past 36 months. Banks actually don't service investment clients the way they need to, and that's definitely a proposition we believe is required out in the marketplace.

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“Banks don't service investment clients the way they should”

- MARK DAVIS



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Colin Lamb, director,
Mortgage Solutions Australia

Mortgage Solutions Australia

Location: Offices in Doubleview, Kalgoorlie and Albany, WA

Aggregator: PLAN Australia

Loan book size: \$1bn

Annual volume (2011/12): \$251.6m

Number of brokers: 7

Average volume per broker: \$35.9m

Conversion rate: 95%

“We go through quite a lengthy coaching process”

- STACEY MARTIN

STACEY MARTIN, DIVISIONAL MANAGER

MPA: What’s the secret to building a successful independent brokerage?

Stacey Martin: The first thing is the team you have behind you, and the culture of that team. The second thing is our support model, which allows our guys to focus on servicing clients and developing relationships with referrers.

MPA: How do you integrate new brokers into the business?

SM: We go through quite a lengthy coaching process where new employees meet twice a week with their coach to do one-on-ones, and they also have fortnightly meetings with the whole team. We do quarterly training as well, and try to do a lot of team building with the whole team. We’re very fortunate that a lot of BDMs want to deal with us, so they’re always out here doing training on products. We’re also very compliance focused, so we do a lot of training on that as well.

MPA: How do you source the majority of your business?

SM: It’s probably about 40% referrals. We’re fortunate to have a relationship with Ausnet Real Estate Group, and they send us referrals. We also have a very strategic plan of bringing on agents who aren’t in that group. About 60% is repeat business, and Colin also does a lot of seminars with mining communities in the northwest of WA.

Top 10 rankings

An unprecedented six of the top 10 independent brokerages made their first ever appearance on the list this year

2012	1	2	3	4	5	6	7	8	9	10
Company	Tiffen & CO	Oxygen Home Loans	Mortgage Solutions Australia	Australian Lending and Investment Centre	Smartmove	Acceptance Finance	Better Choice Mortgage Services	1st Street Home Loans	Niche Lending Pty Ltd	Pinnacle Finance Brokers
2011	N/A	4	3	9	N/A	N/A	1	N/A	N/A	N/A

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Oxygen Home Loans

Location: Offices across NSW and QLD

Aggregator: AFG

Loan book size: \$1.1bn

Annual volume (2011/12): \$492m

Number of brokers: 25

Average volume per broker: \$19.7m

Conversion rate: 71%

JAMES GREEN, GENERAL MANAGER

MPA: What's been the secret to Oxygen's success as an independent brokerage?

James Green: It's providing six-star customer service not only to borrowers and clients, but also to our brokers and partners.

MPA: You've moved up two spots in the rankings since last year. To what do you attribute your improvement?

JG: We won Australian Brokerage of the Year at the Australian Mortgage Awards, and have leveraged off that. It's enabled us to grow our internal market share with McGrath from 59% to 87%, resulting in lodgements of over \$1bn, up 53% year-on-year. It shows the result it can have if you win awards like this.

MPA: Why did you choose to launch as an independent brokerage rather than under an existing franchise model?

JG: We prefer the independent model as it enhances the team environment, which is inherited from the McGrath culture.

MPA: How do you source most of your business?

JG: It's predominantly through referrals from McGrath; however, we have seen a large increase from our online presence and the promotion of winning Australian Brokerage of the Year. We have clients ringing up and writing to us saying, 'We heard you're the Australian Brokerage of the Year. Can you help us?'

MPA: What are your strategies for the year ahead?

JG: We're going to continue leveraging off the success we're having with industry awards, and we're expanding our footprint into Brisbane with the opening of five new McGrath Queensland offices.

"We have seen a large increase from winning Australian Brokerage of the Year"

- JAMES GREEN





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“We started getting a mentor program going – we got together to see the sales figures”
- GERARD TIFFEN

Tiffen & Co

Location: Kingston, ACT
Aggregator: National Mortgage Brokers
Loan book size: \$1.5bn
Annual volume (2011/12): \$367.9m
Number of brokers: 7
Average volume per broker: \$52.6m
Conversion rate: 98%

GERARD TIFFEN, DIRECTOR

MPA: What’s led to your success over the past year?

Gerard Tiffen: It’s a few things we implemented about 24 months ago, probably. We started getting a mentor program going, sort of out of the Weight Watchers philosophy where a bunch of people sit around a room and have to weigh themselves in front of each other. So it’s an accountability sort of thing, and we’re a little more open than we had been. We started getting together and seeing what the sales figures were, so far. That’s all I can put it down to, and it just sort of kicked along from there.

MPA: Why did you decide to go the independent route rather than joining a franchise system?

GT: Well, when I started doing this it just wasn’t established. Aussie Home Loans didn’t have



franchises, and Mortgage Choice was just sort of starting out. I initially just started writing loans for Westpac. I never had the opportunity to get into a franchise system. If I was starting out now, there’s no other way I would go. I’d be Mortgage Choice or Aussie, and use their systems and processes. I had to develop all that myself.

MPA: Have you diversified outside residential mortgages?

GT: I’ve stuck with residential mortgages, because it’s what I’m good at. I don’t understand financial planning and I don’t want to get involved. I know when I do a mortgage I can offer the client the best product. There seems to be a strong push toward financial planning in this industry, but the people I’ve seen doing it, do it poorly. I do have a referral relationship with a financial planner, but I don’t try to handle that in-house, and why would I? I’m settling good figures and doing well. **MPA**