MAY 2019
VOLUME 31 | ISSUE 04

MONEY & LIFE

The magazine for FINANCIAL PLANNING PROFESSIONALS

fish discover water last

FUTURE2 CHAIR, PETRA CHURCHER ON SOCIAL CONSCIENCE AND GIVING

Marisa Broome CFP®

ADAPTING TO A CHANGING ADVICE LANDSCAPE

\+ BUDGET WRAP-UP | ROYAL COMMISSION | PHILANTHROPY IN PRACTICE
2019 FUTURE2 CHALLENGES | INSURANCE AND BUSINESS SUCCESSION PLANNING

FPA
FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

Contents.

MAY 2019

FOCUS

INSIGHT

GROW

LIFE

LEARN

FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

Money & Life Magazine is the official publication of the Financial Planning Association of Australia Limited.
ABN 62 054 174 453

moneyandlife.com.au **fpa.com.au**
Level 4, 75 Castlereagh St, Sydney NSW 2000
T 02 9220 4500 **F** 02 9220 4580 **E** fpa@fpa.com.au

Paper + Spark, P.O. Box 443, Pyrmont NSW 2009

PUBLISHER
Zeina Khodr
M +61 414 375 371
E zeinak@paperandspark.com.au

ADVERTISING
Suma Wiggins
M +61 404 118 729
E suma@paperandspark.com.au

MANAGING EDITOR
Jayson Forrest
M +61 416 039 467
E editor@paperandspark.com.au

Circulation 13,600 as of June 2018

Paper + Spark is the custom publisher of Money & Life (www.moneyandlife.com.au) for the Financial Planning Association of Australia (FPA). We are a specialist digital content marketing and social media agency with deep Financial Services consumer and B2B experience. We create brand, digital, social and content strategy that leads to reaching the right audience at the right time via the right channel to keep you agile and relevant in a fragmented media landscape. Because purposefully agile/great brands stand for something, while never standing still.

FOCUS

WHAT'S A PRONUP?

How we handle money as a couple can be more important than anything else in keeping us together, or driving us apart. According to research from *Relationships Australia*, money is the number one cause of divorce in Australia.

The work that financial planners do with clients during pivotal life stages, including marriage, can be life changing. This is the inspiration behind our new advertising campaign, promoting CFP® professionals and funded by the marketing levy that CFP® practitioners contributed during 2018/19.

Through our ad campaign, we're sharing the message that it's better to prepare than repair when it comes to your finances. We are putting the spotlight on how financial advice can help couples, particularly newlyweds.

We've all heard of a Prenup, but we're encouraging couples to focus on a Pronuptial Agreement or Pronup – a term we've created to explain the positive step of preparing a financial plan as a couple.

Our advertising is now rolling out across digital, outdoor and podcasts, targeting the next generation of clients.

On moneyandlife.com.au there's a free ebook for couples to download to learn about a Pronup and tips on how to manage finances within a relationship.

We also have our new Match My Planner service helping to connect those looking for a planner, with a CFP® professional. Later this year, Match My Planner will be available for all FPA practitioner members as well.

So remember, if you have a client asking about how to get a Pronup, it's really a code name for a financial plan. A Pronup is designed to spark a conversation with the next generation of clients and help to make financial planning relevant to a younger audience.

FPA ROADSHOW

Our National Roadshow is now in full swing and I hope as many of you as possible can join us as at one of the 33 free events running until 14 June. You attendance will earn you two CPD hours and this includes 0.75 FASEA ethics CPD area hours. Visit fpa.com.au/roadshow for event details and registration.

POWER OF GIVING BACK

In this issue, we shine the light on the many ways that FPA members and the whole financial planning profession gives back to the communities where each of us live and work, through philanthropic efforts.

There are so many ways FPA members contribute freely and generously to help others without expecting anything in return. Some examples available through the FPA are the Pro Bono Financial Advice Service we take part in with the Cancer Council, financial literacy initiatives, as well as involvement and donations to your FPA charitable foundation, Future2. Thank you for all the ways you give back.

Dante De Gori CFP®, CEO

Follow Dante on Twitter @ddegori10

aia.com.au

AIA HEALTHIER, LONGER, BETTER LIVES

FASEA ACCREDITS CFP® CERTIFICATION PROGRAM

The CFP® Certification Program is the first professional designation education program in Australia to qualify for recognition of prior learning by the Financial Adviser Standards and Ethics Authority (FASEA).

The announcement by FASEA officially acknowledges the value of the CFP® Certification Program to raising education standards, by assigning two credits towards the total required by January 2024.

Dante De Gori

In addition, the CFP® Certification Program has received recognition for up to four credits with many universities for existing Master of Financial Planning programs.

According to FPA CEO, Dante De Gori CFP®, the FPA strongly advocated with FASEA for a fairer and more pragmatic approach to prior learning, including one that recognised the world class professional and ethical standards demanded of graduates of its CFP® Certification Program.

As a result of this advocacy, now under the final FASEA framework, approximately 50 per cent of FPA members only need to complete the FASEA Code of Ethics bridging course, 15 per cent between three and seven units, 30 per cent between four and eight units, and under 5 per cent who must do eight units.

"The current FPA CFP® Certification Program is the only designation in Australia to have received formal credits to date," De Gori says.

"This announcement acknowledges that the CFP® designation continues to be the globally recognised gold standard in advice, and for good reason. Research shows people who work with a CFP® professional generally feel more confident in achieving their financial goals."

Financial planners who started and subsequently completed the FPA's five unit CFP® Certification Program since Semester 2, 2003, will receive two credits for the appropriate existing adviser pathways set out in FASEA's Education Standard.

The FPA has submitted all other additional pathways prior to 2003 for CFP® Certification to FASEA for accreditation. Decisions on the credits awarded for these pathways are still to be decided by FASEA.

To help members navigate FASEA's higher education requirements, the FPA recently launched Return to Learn – an online education portal that provides explanations on FASEA's policies, Code of Ethics and provides education tools in one central hub.

FPA Return to Learn is also a guide to study credits, video tutorials and provides information on various approved tertiary education providers, including course costs and required time commitments.

To log into Return to Learn, visit: learn.fpa.com.au/login

The FPA congratulates the following members who have been admitted as

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

NSW

Bo Yuan CFP®
First Unity Wealth

Lin Gao CFP®
Stanford Brown

Angus Rodgers CFP®
Prime Wealth

QLD

Amit Gahlyan CFP®
Commonwealth Financial Planning

VIC

Patrick Garrett CFP®
Bridgewood Private Wealth

NATIONAL ROADSHOW ROLLS INTO second month

The 2019 FPA National Roadshow is now in its second month, with the FPA recording good attendance numbers at the five presentations in April.

Over the next two months, the roadshow will visit 28 locations , finishing on 14 June at the Goulburn Valley and Wide Bay Chapters.

With so much change, challenges and opportunities facing the profession, the 2019 FPA National Roadshow will cut through confusion and misinformation, and equip planners with the latest updates on developments affecting them and their businesses.

The roadshow features updates on:

- **The new FASEA education framework;**
- **The FPA's Return to Learn online hub to assist planners navigate the new FASEA framework;**
- **The implications of the Federal election;**
- **The Royal Commission recommendations;**
- **Recent and imminent legislative change impacting your retirement planning advice; and**
- **Tools and strategies to deliver sustainable retirement income for clients.**

Attendees will also learn about the new Match My Planner tool, which will help to connect more Australians to FPA members.

The FPA has partnered with Challenger this year and attendees will be given exclusive access to retirement resources via a Challenger portal.

The roadshow is free to attend. By attending, planners will earn two CPD hours plus one networking hour, including 0.75 FASEA ethics CPD. To register, go to fpa.com.au/roadshow

SAVE THE DATE

Thursday 2 May
Hobart – 12pm-3pm
Launceston* – 12pm-3pm
(*Live streamed event)

Friday 3 May
Cairns – 12-3pm

Monday 20 May
Sunshine Coast – 12-3pm

Tuesday 7 May
Perth – 7:30am-10:30am

Wednesday 8 May
Adelaide – 12pm-3pm

Friday 10 May
Darwin – 7:30am-10:30am

Monday 13 May
Geelong – 12pm-3pm
South East Melbourne – 7:30am-10:30am

Tuesday 14 May
Ballarat – 7:30am-10:30am
Gippsland – 12pm-3pm
Sydney – 12pm-3pm

Wednesday 15 May
Bendigo – 7:30am-10:30am

Friday 17 May
Far North Coast – 7:30am-10:30am

Tuesday 21 May
Gold Coast – 12pm-3pm
Sunraysia – 12pm-3pm

Wednesday 22 May
Brisbane – 12-3pm

Thursday 23 May
Toowoomba/Darling Downs – 7:30am-10:30am

Wednesday 29 May
Melbourne – 12pm-3pm

Thursday 30 May
Newcastle – 12pm-3pm

Friday 31 May
Canberra – 12pm-3pm
Wollongong – 12pm-3pm

Wednesday 12 June
Riverina – 12pm-3pm
Townsville – 12pm-3pm

Thursday 13 June
Albury Wodonga – 12pm-3pm
Mackay – 7:30am-10:30am

Friday 14 June
Goulburn Valley – 12pm-3pm
Wide Bay – 7:30am-10:30am

Breakfast or lunch is included. Registration is approximately 15 minutes before start time.

News

ONLINE TOOL IDENTIFIES FINTECH SOLUTIONS FOR PRACTICES

The FPA has launched an online diagnostic tool that has been designed to help identify fintech solutions that can improve the profitability and efficiency of planning practices.

The new tool, developed with advice technology provider YTML, quantifies the actual costs involved in providing advice, determines how long it takes to provide end-to-end service, and provides the basis for calculating how to price services accordingly.

According to FPA CEO, Dante De Gori CFP®, YTML has used its expertise in serving financial advice businesses to digitise the advice process on its Highlighter platform. By utilising the FPA's fintech report *Mapping Fintech to the Financial Planning Process*, it has created an engaging and easy to use tool for FPA members.

"In an environment of increasing costs and regulation, understanding the financial planning process, how long it takes, and how much it costs, is important for our members. This knowledge can be used to identify how fintech can complement and enhance the planning process," De Gori said.

"Fintech will continue to profoundly change the client/planner relationship and transform our profession as a whole. Combined with the *FPA Fintech Buyers Guide and Checklist*, the new YTML tool enables members to get a clear picture of the time and costs involved in every part of their advice process. This will help them identify, compare and implement technology solutions that will help their business improve operational efficiency, and meet the challenges of increased regulatory and educational requirements."

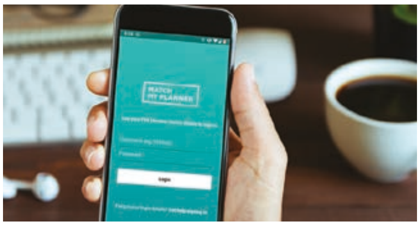
Utilising the data from this new tool, the FPA will also be developing a report that will help planners benchmark their business costs and level of efficiency against peers to help determine how they're performing.

How the tool works

- By inputting information about the operation of their planning practice, practitioners can ascertain how long their financial advice process takes and how much it costs to provide advice.
- The tool, which features a simple drag and drop functionality, enables the creation of documentation and mapping of the practice's specific advice process steps.
- The whole process takes between 5 to 10 minutes, and generates a report which can be received by email. The report can then be used with the resources available on the FPA's Fintech hub to identify fintech tools that can improve the profitability and efficiency of the practice's advice process.
- The YTML Highlighter fintech tool can assist planners with managing workflow, creating and managing websites, converting excel and PDF files into web-based forms for improved client engagement, and document generation.

For more information on the new diagnostic tool, visit fpa.com.au/fintech.

MATCH MY PLANNER LAUNCHED



The FPA has launched a more intuitive version of the existing Find a Planner directory, called **Match My Planner**.

Match My Planner will connect consumers looking for a CFP® professional based on their personal profile of money and life goals, and not just location.

When a consumer uses the online service, the information is sent out to participating CFP professionals who have downloaded the Match My Planner app on their mobile phone.

FPA members will receive a notification on their phone via the app, letting them know when a consumer is looking for a planner in their geographic location.

Consumers will be notified when an FPA member has sent a message request back.

They can also login to the Match My Planner web tool to view these requests, as well as respond to them.

Later this year, this new Match My Planner tool will also be available to all FPA practitioner members.

For more information, visit fpa.com.au.

RETURN
TO LEARN
YOUR NEW EDUCATION HUB

Find your education pathway

FPA Return to Learn is an online education hub designed to cut through misinformation and confusion about FASEA's requirements.

The FPA is committed to helping members transition smoothly to the new FASEA framework now in place.

FPA members have access to tools and information to:

- **Guide you through the education pathway**
- **Identify what study credits are available**
- **Help you prepare for the exam**
- **Support you in any further study you need to do.**

Find out more at learn.fpa.com.au

2019: BUDGET HIGHLIGHTS

On 2 April, the Federal Treasurer, **Josh Frydenberg** handed down his first Budget. The following are the key Budget 2019-20 highlights that are likely to affect planners and their clients.

TAXATION

A cornerstone of the 2019-20 Budget was a strengthening of the tax cuts outlined in last year's Budget, with the Government announcing it will build on its Personal Income Tax Plan.

Low and Middle Income Tax Offset

The Government proposes to increase the Low and Middle Income Tax Offset (LMITO) from the 2018-19 tax year onwards by increasing the base amount from $200 to $255 per year and the maximum amount from $530 to $1,080 per year.

Taxpayers with income between $48,000 and $90,000 will be eligible to receive the maximum offset of $1,080. The offset phases out with incomes up to $126,000.

2022-23 Personal Income Tax Cuts

The upper threshold of the 19 per cent tax bracket is proposed to increase from $41,000 to $45,000 from 1 July, 2022. This proposed change complements the already legislated increase in the upper threshold of the 32.5 per cent tax bracket.

The LMITO is legislated to cease at the end of the 2021-22 tax year, at which point the maximum amount of the Lower Income Tax Offset (LITO) is currently legislated to increase from $445 to $645. However, this year's Budget proposes to increase the maximum amount of LITO to $700, with the taper rate to be 5c for every dollar from $37,000 to $45,000, rather than the current 6.5c per dollar from $37,000 to $41,000.

2024-25 Personal Income Tax Cuts

From I July 2024, the Government proposes to reduce the 32.5 per cent tax rate to 30 per cent, abolish the 37 per cent tax bracket and increase the threshold for the 30 per cent tax rate to $200,000.

Medicare levy thresholds

The Medicare levy thresholds will increase from the 2018-19 income year. They are:

- **For singles -** from $21,980 to $22,398;
- **For families**[1] **-** from $37,089 to $37,794;
- **For single seniors and pensioners -** from $34,758 to$35,418; and
- **For senior and pensioner couples -** from $48,385 to $49,304.

[1] *An additional amount for each dependant child or student increases from $3,406 to $3,471.*

Asset Tax write-off

The Government will increase the instant asset tax write-off from $25,000 to $30,000, and extend this write-off to medium sized businesses (those with an aggregated annual turnover of between $10 million and $50 million), as well as small businesses. The increased threshold and eligibility are effective from the release of the Budget on 2 April 2019, and the write-off will operate until 30 June 2020. Small businesses will also continue to have access to the simplified depreciation rules.

SUPERANNUATION

Work test and bring-forward contributions age thresholds

The Government will allow voluntary superannuation contributions (both concessional and non-concessional) to be made by those aged 65 and 66 without having to meet the work test from 1 July 2020.

Individuals aged 65 and 66 will also be able to make up to three years of non-concessional contributions under the bring-forward rule.

Those aged up to and including 74 will be able to receive spouse contributions, with those aged 65 and 66 no longer needing to meet the work test.

Spouse contributions

Effective from 1 July 2020, the upper age limit at which a client's super fund can accept spouse contributions on the client's behalf will increase from age 69 to 74.

This increase in the upper age limit for spouse contributions will enable the contributing spouse to qualify for the spouse contribution tax offset for longer. The offset is subject to an income limit ($40,000), residence

requirements and a restriction on the contribution being claimed as a tax deduction. The offset can be as much as $540 on a $3,000 contribution.

Protecting your Super package

The Government will delay the start date of the Protecting Your Super Package to 1 October 2019. This delay is to ensure insurance within superannuation is only offered on an opt-in basis for amounts with balances of less than $6,000 and for new accounts belonging to members under the age of 25.

These changes (currently before Parliament) will protect the retirement savings of young people and those with low balances by ensuring their superannuation is not unnecessarily eroded by premiums on insurance policies they do not need or are not aware of.

The changes will also reduce the incidence of duplicated cover, so that individuals are not paying for multiple insurance policies, which they may not be able to claim on. However, these changes will not prevent anyone who wants insurance from being able to obtain it, with low balance and young account holders still able to opt-in to insurance cover within superannuation.

SuperStream for SMSFs

The Government has announced an increase in the range of superannuation fund transactions required to be made using the SuperStream protocols from March 31, 2021. As such, it is also proposed that SMSFs will not be required to adhere to the SuperStream protocols until that date. The previous date from which SMSFs were due to adhere to the SuperStream protocols was November 30, 2019.

SOCIAL SECURITY

Energy Assistance Payment

The Government will make a one-off payment of $75 for singles and $125 for couples who receive a qualifying payment on 2 April 2019, to help them with the rising cost of electricity. Those eligible for this payment include recipients of the Age Pension, Disability Support Pension, Carer Payment, Parenting Payment Single, Newstart Allowance and a range of Department of Veterans' Affairs pensions and payments.

Family Tax Benefit

The Government will provide $36.4 million over five years from 2018-19 to extend Family Tax Benefit eligibility to the families of ABSTUDY (secondary) student recipients who are aged 16 years and over, and are required to live away from home to attend school. This will improve access to secondary education for indigenous Australians and help reduce the gap in outcomes between indigenous and non-indigenous Australians in the completion of high school.

AGED CARE

Access to Aged Care

The Government will provide $320 million for a one-off increase to the basic subsidy for residential aged care recipients. An increase of $35.7 million will be provided for the dementia and the veterans' home care supplements, which supports home care recipients who require additional care to stay in their homes longer.

The Government will provide $4.6 million to trial a residential care needs assessment funding tool as an alternative to the existing Aged Care Funding Instrument.

A total of $7.1 million will be provided over two years to improve payment administration arrangements for home care packages to align home care arrangements with other Government programs, such as the National Disability Insurance Scheme.

Home Care packages

The Government's Home Care Packages Program supports Australians who choose to receive care in their own homes. The Government is providing $282.4 million over five years from 2018-19 for an additional 10,000 home care packages across all levels.

Australians with dementia or requiring cognition support will benefit from additional funding for home care supplements, and the Government is providing $7.7 million to develop an end-to-end compliance framework for home care.

Commonwealth Home Support Programme

The Government will provide $5.9 billion over two years from 2020-21 to extend the Commonwealth Home Support Programme (CHSP) funding arrangements. The CHSP contributes to essential home support services, such as meals, personal care, nursing, domestic assistance, home maintenance and community transport, to assist older people to keep living independently in their own home.

Elder abuse

The Government has announced a national plan to respond to the abuse of older Australians. The plan includes $18 million to create a new national hotline and conduct trials of frontline services for victims of abuse. The Government is also contributing $1.5 million towards developing a Serious Incident Response Scheme.

Residential Care Places

The Government has announced an additional 13,500 residential aged care places will be made available, combined with a $60 million investment in infrastructure. The Government is providing a $320 million general subsidy for residential aged care and $8.4 million will be provided to introduce mandatory reporting against several national residential care quality indicators.

REGULATORS

The Government has also provided additional funding for the regulators, including $606.7 million to relevant government departments and agencies to support the Government's response to the Royal Commission's recommendations.

Money & Life kindly acknowledges the FPA and wealthdigital for their assistance with this Budget analysis. For more details on the Budget, visit fpa.com.au.

ROYAL COMMISSION WRAP-UP

Part 3 of *Money & Life's* review of the Royal Commission's recommendations into Misconduct in the Banking, Superannuation and Financial Services Industry examines Insurance, with a focus on how these recommendations specifically impact licensees and planners.

Following is the third part of a wrap-up of some of the key recommendations made by Commissioner Kenneth Hayne that may affect the provision of financial advice. These key recommendations have been broken up into six sections:

1. Financial advice
2. Superannuation
3. Insurance
4. External Dispute Resolution and Consumer Compensation
5. Codes of Practice, Regulators and Culture
6. Additional Government measures

The March issue of *Money & Life* examined **Section 1 – Financial Advice** and the April issue looked at **Section 2 – Superannuation.** This month, we will examine **Section 3 – Insurance.** The FPA's full response to all six sections of the Royal Commission's Final Report can be accessed at fpa.com.au.

PART 3: INSURANCE

RECOMMENDATION 4.1 – NO HAWKING OF INSURANCE

Consistently with Recommendation 3.4, which prohibits the hawking of superannuation products, hawking of insurance products should be prohibited.

FPA comment: The FPA has continuously expressed concerned about the potential for consumer detriment in less regulated channels used for selling insurance products to consumers by sales representatives.

The FPA supports changes to the regulations to ensure these consumers are appropriately protected and are being offered cover that is fit for purpose. In addition, the FPA would support regulations that clearly separate product sales and advice, and mandate disclosures which make it clear when a consumer is being sold a product and if the sales representative will be remunerated via a commission or incentive payment for the sale of that product.

As this recommendation is intended to prohibit the unsolicited spruiking and selling of insurance products, it should not impact the provision of financial advice. It is suggested that members ensure they include a clear scope of the advice to be provided in the client engagement letter.

RECOMMENDATION 4.5 – DUTY TO TAKE REASONABLE CARE NOT TO MAKE A MISREPRESENTATION TO AN INSURER

Part IV of the Insurance Contracts Act should be amended, for consumer insurance contracts, to replace the duty of disclosure with a duty to take reasonable care not to make a misrepresentation to an insurer (and to make any necessary consequential amendments to the remedial provisions contained in Division 3).

FPA comment: The purpose of Recommendation 4.5 is to flip the responsibility of pre-contract disclosures from the consumer onto the insurer for 'consumer insurance contracts'. Commissioner Hayne's recommendation of a duty to take reasonable care not to make a misrepresentation to an insurer places the burden on an insurer to elicit the information that it needs in order to assess whether it will insure a risk and at what price. The duty does not require an individual to surmise, or guess, what information might be important to an insurer.

The FPA supports Recommendation 4.5, as this will deliver positive benefits for consumers and their planners during the purchase and claims process.

RECOMMENDATION 4.6 – AVOIDANCE OF LIFE INSURANCE CONTRACTS

Section 29(3) of the Insurance Contracts Act should be amended so that an insurer may only avoid a contract of life insurance on the basis of non-disclosure or misrepresentation if it can show that it would not have entered into a contract on any terms.

FPA comment: Commissioner Hayne was concerned that amendments to s29 of the Insurance Contracts Act made in 2013 had resulted in an 'avoidance' regime that is unfairly weighted in favour of insurers. Specifically, that the removal of the words 'on any terms' meant that currently an insurer is not required to demonstrate that it would not have entered into a policy on alternative terms had the non-disclosure or misrepresentation not occurred.

The intent of this recommendation is to ensure that an insurer may only avoid a contract of life insurance on the basis of non-disclosure or misrepresentation if it can show that it would not have entered into a contract on any terms.

The FPA supports Recommendation 4.6, as it will deliver significant benefits for consumers.

RECOMMENDATION 4.8 – REMOVAL OF CLAIMS HANDLING EXEMPTION

The handling and settlement of insurance claims, or potential insurance claims, should no longer be excluded from the definition of 'financial service'.

FPA comment: The FPA supports applying section 912A of the Corporations Act to all aspects of the provision of life risk insurance, including the handling and settlement of insurance claims, as it would offer significant protection benefits and consistency for consumers.

RECOMMENDATION 4.9 – ENFORCEABLE CODE PROVISIONS

As referred to in Recommendation 1.15, the law should be amended to provide for enforceable provisions of industry codes and for the establishment and imposition of mandatory industry codes.

In respect of the Life Insurance Code of Practice, the Insurance in Superannuation Voluntary Code and the General Insurance Code of Practice, the Financial Services Council, the Insurance Council of Australia and ASIC should take all necessary steps, by 30 June 2021, to have the provisions of those codes that govern the terms of the contract made or to be made between the insurer and the policyholder, designated as 'enforceable code provisions'.

FPA comment: The FPA supports the application of Codes of Conduct, which set higher and industry specific obligations than the requirements in the law, are enforceable and enforced, and require a binding commitment on the signatories to the Code to comply with the codified standards.

As codes are updated or approved by ASIC, members will need to ensure they comply with the 'enforceable code provisions' of codes which they are covered by and be aware of the accountability provisions of these codes. As detailed in Recommendation 1.15, 'enforceable code provisions' are provisions in respect of which a contravention will constitute a breach of the law.

RECOMMENDATION 4.10 – EXTENSION OF THE SANCTIONS POWER

The Financial Services Council and the Insurance Council of Australia should amend section 13.10 of the Life Insurance Code of Practice and section 13.11 of the General Insurance Code of Practice to empower (as the case requires) the Life Code Compliance Committee or the Code Governance Committee to impose sanctions on a subscriber that has breached the applicable Code.

FPA comment: The FPA supports where a regulator has identified regulatory breaches of a life risk provider's operations, that these should be required to be reported to the Life Code Compliance Committee (LCCC) by the subscribing life company for consideration of additional sanctions, including removal from the Code and the FSC.

As codes are updated or approved by ASIC, members will need to ensure they comply with the 'enforceable code provisions' of codes which they are covered by and be aware of the accountability provisions of these codes.

RECOMMENDATION 4.13 – UNIVERSAL TERMS REVIEW

Treasury, in consultation with industry, should determine the practicability, and likely pricing effects, of legislating universal key definitions, terms and exclusions for default MySuper group life policies.

FPA comment: This recommendation aims to standardise, or at least standardise in key respects, key definitions of life insurance terms within MySuper, as subtle differences in definitions, terms and exclusions from one policy to another can make the task of comparing policies particularly challenging.

Changes will almost certainly affect the cost of insurance premiums, and will affect how much superannuation the member will have at retirement. Hence, the adoption of standardised terms should be carefully considered, and the consequences of change identified before they are implemented.

Please note: Due to space restrictions, this article only outlines the key recommendations from the Final Report that specifically impact licensees and planners in relation to Insurance. To read the FPA's full response to the Royal Commission's Final Report into 'Misconduct in the Banking, Superannuation and Financial Services Industry', go to fpa.com.au.

FOCUS

OUT AND ABOUT

FPA members enjoyed some recent Chapter events, including Careers in Financial Planning,

FINANCIAL *planning careers*

*The FPA **Careers in Financial Planning** event recently hit the cities of Perth, Adelaide, Melbourne, Brisbane and Sydney. Students were able to network and hear from industry experts about making a career in financial planning.*

ROADSHOW *kicks off*

*On 10 April, the **Port Macquarie** and **New England Chapters** kicked off the 2019 FPA National Roadshow.*

the FPA National Roadshow and a golf day in Western Australia.

ON PAR *for charity*

*At the recent **Western Australia Chapter** Golf Day, committee member Michael Carmody CFP® was on hand to present a Future2 $10,000 cheque to Camp Kulin (endorsed by Michael Pyne CFP®), which provides camps across Western Australia for children who have been impacted by trauma.*

ROADSHOW *continues*

WE LOOK FORWARD TO SEEING MEMBERS AT THEIR NEXT LOCAL CHAPTER EVENT.
FOR UPCOMING EVENTS, VISIT FPA.COM.AU/EVENTS

ADVOCACY

NOBODY IS EXEMPT FROM CHANGES

FPA Chair **Marisa Broome CFP®** outlines the advocacy work of the FPA and the initiatives being rolled out to help practitioners adapt to the changing advice landscape.

As Chair of the FPA board, I am helping steer our association and members through the most complex of times. As a practice owner and working planner, I know the pressures of these changes as well as anyone.

I am a proud CFP® professional. I am proud of the difference I make every day in the lives of my clients, and of the business that I have grown. I am also proud of my profession, and it was my desire to give back in a formal capacity that led me to initially run for a position on the FPA board in 2014, and to stand as Chair last November.

I have been a member of the FPA since before it was the FPA, and right from my work with my first client, it has been an interesting journey. With some luck, coupled with a desire to offer a service that was different to what was around at the time, my business has grown with my clients.

Marisa Broome CFP®

My practice started offering advice to young people in 1997, at a time when most of the market was concentrating on retired clients. Accumulation had different challenges, and many in the industry asked how I was ever going to make money if I was going to charge by complexity and time, when the standard was charging via a percentage of fees under advice or a commission.

Fortunately, it worked, and 22 years later, some of those clients are thinking about retiring – and early, as our advice has helped them have this choice.

CHALLENGING TIMES AHEAD

But my practice has all the same challenges as you – my compliance costs have soared, in addition to the ASIC funding levy, exam costs, bridging courses, code monitoring, higher professional indemnity premiums, and more.

How will I address this? Will I reduce the number of clients I will be able to service? Will I increase my fees?

I'm not exactly sure, but given I have always followed the 'you can have it all, but maybe not all at once' path, I have decided I can't make all these decisions at once nor can I do it by myself. So, I have broken it down to allow me to address one issue at a time. I am talking to my peers, and will be using the services of experts who can guide me through this.

In terms of my role at the FPA, you could say I have walked into the perfect storm. There is no doubt our members – and I put myself in this category – are under pressure. We have increased scrutiny, significant changes to make to our businesses, and the costs of being in business have significantly increased.

There is still a lot of uncertainty around the recommendations made to our profession, now on hold until after the federal election. This is at the same time where our practice values are falling, the certainty of some of our income is under threat, we are seeing the larger licensees announce they will leave the advice space, and we still have more hurdles to jump.

One thing that has been constant over the years has been change – not just in the way we give advice, but also in the advice we give. The quantum of change at this point is greater, more intense and subject to more political and client scrutiny than ever – both due to the intrusiveness of the level of scrutiny that the Royal Commission has put on what we do, at the same time as there is considerable uncertainty and confusion about what we need to do to meet the new professional standards.

I am not ashamed of saying I have always called for higher standards. I first sat on a National Education Committee for the FPA in 1994 where we called for degree qualifications for financial planners. I believe education is the foundation for any profession, as is constantly improving professional standards. But I too have further study to undertake.

Will battling through the change be worth it? Will it be difficult for our profession? Will it impact the FPA? I have absolutely no doubt on all three.

WALKING WITH YOU

However, it's now more than ever that we, as your member organisation, will be there walking with you, working with you, and supporting you to be able to meet the standards.

We have been criticised for not being there for our members, and this is absolutely wrong. I can tell you that, without the advocacy work that the FPA has undertaken on your behalf, life would be much harder than it is.

Let me give you some examples.

Without the work of the FPA, there would have been no grandfathered commissions when FOFA was introduced in 2012, and the Life Insurance Framework would have seen flat 20 per cent commissions if the original recommendations had not been challenged.

The FASEA education requirements have been quite a journey, and it is this uncertainty that has caused much confusion. However, prior to the legislation, there was a push from some sectors to see all existing advisers having to obtain an undergraduate degree, plus sit an exam every two years. Under the December 2017 initial release, 91 per cent of our members would have needed to do a Graduate Diploma.

We have been criticised for not being there for our members, and this is absolutely wrong. Without the advocacy work that the FPA has undertaken on your behalf, life would be much harder than it is.

Under the second draft released in March 2018, the work we did saw this drop to 50 per cent of our members needing to do a Graduate Diploma, while in the final version released in December 2018, approximately 50 per cent of FPA members only need to do one course, being the Code of Ethics course; approximately 15 per cent of our members have to do between three and seven units; a further 30 per cent between four and eight units; and fewer than 5 per cent who must do eight units.

The FASEA CPD policy would have been at a minimum of 50 hours, not the 40 we have now.

For those of you that are running your own AFSLs, the fees under the original ASIC funding model would have been significantly higher than they are, while financial planners are now able to witness statutory declarations, thanks to a very long FPA campaign.

And what are we still fighting for? We are still working on the Code of Ethics with FASEA, continuing with the plans to establish a Code Monitoring Body, and meeting with the two main political parties to ensure our views are heard on the sensible implementation of the Royal Commission's recommendations.

We are working with Treasury, and we are meeting regularly with ASIC, the Tax Practitioners Board, and the Australian Financial Complaints Authority. We are also working with all the main associations to ensure we are speaking with one voice.

We have chosen to advocate for you in a way that sees us invited to the table by all the politicians and regulators – and importantly, we are listened to. Public headlines that challenge and question only serve to close doors, not change the narrative. So please remember, just because the advocacy is not publicised, doesn't mean it isn't happening.

TOOLS AND RESOURCES

We are also working on a range of initiatives that are designed to help our members adapt to the changing advice landscape.

Recently, we launched phase one of our **Return to Learn** online program, where we will provide resources to help you work out what study you need to do, where you can do it, and then help you on that education process. Future stages will include menus of all available FPA-accredited CPD programs.

We have embarked on our **National Roadshow**, which is a free event happening in every Chapter around the country. We have added time to the end of each Roadshow to encourage you to stay and chat, allowing you to connect with your peers and the FPA team.

We will be officially launching the new **Match My Planner** service at the Roadshow, which is a new way for people to connect with a planner who offers the services they require.

We will also use the Roadshow to launch our new **Member Support Line** – an avenue for you to use if you need help beyond your family, employer, licensee and peers.

I'm sure our work will draw criticism and I'm prepared for that. I didn't take on this job because I thought it would be easy. Instead, I took it on because I care about our profession, I am proud of what we do every day, and I want to make a difference for you.

Marisa Broome CFP® is Chair of the FPA.

OPINION CORNER

THE RIGHT THING TO DO

Question: Why is philanthropy important for the profession and how are you engaging in philanthropic activities?

Peter Foley CFP®

Director, Thirdview
Licensee:
Financial Services Partners

Financial advice is all about changing lives. It creates opportunity and improves wellbeing. We see that regularly in our practice and our clients tell us, but the shame is, too few Australians access advice believing it's for the big end of town.

Philanthropy too is about providing opportunity and improving wellbeing. It is distinct from charity, which tends to be short-term and reactionary, whereas philanthropy is strategic and longer term, aiming for lasting change.

Engaging in philanthropy is important for the profession because it sends a message to those who observe it that advisers are everyday people, too. It says that we're invested in and care for our communities and I think this makes us more approachable. Engaging in philanthropy helps us live and demonstrate our values to others and so it increases trust.

Each week I teach 'Primary Ethics' at the local public school and have done so for the last four years. I thoroughly enjoy the role as teacher at school and financial coach in my business. They are complimentary and both provide me the opportunity to help people evolve their own thinking about their lives.

In the case of 'Primary Ethics', our role is to create a community of enquiry, where children are challenged with ethical dilemmas. This enables students to develop their own ethical style and values, and creates a matrix of cognition and decision-making they will hopefully carry throughout their lives.

I have been surprised by how much I get out of my participation. It's very rewarding and the students' enthusiasm is contagious. I'd encourage everyone to consider it.

Kathy Havers CFP®

Executive Financial Advisor, Viridian Advisory
Licensee: Viridian Advisory

Philanthropy is the 'good angel' of financial planning. It's an enabler for all of us to get involved in community activities, not-for-profits and to give back. It's all about the higher purpose – what are we really here for, and who we truly serve.

The social, environmental and responsible impact that can be achieved through active philanthropic engagement at all levels, is now extremely powerful and actively sought after by clients and businesses.

As an adviser, I assist clients put their aspirations into action – be that a one-off donation, to the creation of a Private Ancillary Fund (PAF), sub-fund or participation in a community foundation via a bequest. The delight this discussion brings is incredibly powerful and in many cases, defines that client's true purpose.

On a personal level, 11 years ago, I assisted a client establish her own PAF and whilst doing so, she asked me to be the 'Responsible Person'. That was Kindred Spirits Foundation and I am still a director and the Responsible Person on that Foundation.

I have also assisted many small not-for-profits with pro bono strategic and financial planning advice. Most recently, I was asked to be an inaugural director of the Viridian Foundation and I look forward to what we can achieve with it.

My personal mantra is: 'You haven't truly lived until you have done something amazing for someone who can never possibly repay you.' And from experience, I can tell you the rewards do come – tenfold.

Question: Why is philanthropy important for the profession and how are you engaging in philanthropic activities?

Matthew Torney CFP®

Partner, Muirfield Financial Services
Licensee: Muirfield Financial Services

How often have we thought about how nice it would be if we could eliminate poverty, destroy cancer and put an end to war?

Our industry is fortunate to have countless individuals with great hearts and philanthropic intentions; the types of people who understand that we, the lucky, need to bring forward those who are not.

Unfortunately, many people are becoming disenchanted when it comes to giving. It's easy to feel that we can't make a difference or we fear where our money may end up. There is a general feeling that our donations might not be grand enough to get anything done.

As much as we may be unsure of giving away our hard-earned money to something we might not fully understand, those of us fortunate enough to be financially secure have an obligation to give.

This is in part because many of us who are secure owe at least some of our good lifestyle to luck. Luck at having been born into the right family; luck to have been blessed with intelligence and opportunity; luck to have the right connections to get ahead; and luck to have been born in this wonderful country.

Through donations of time, skills or money, those of us who are lucky enough to have the advantages necessary to get ahead can create luck for others.

For the past three years, we've been encouraging clients and staff to consider donating $500 each to the Geelong Community Foundation's own collective giving fund, Philanthropy 500. By bringing together the intellectual and emotional (and financial) resources of 200 individuals, we are hopeful that with a $500 donation from all involved, we will be able to provide a high-impact donation of $100,000 to a local community organisation.

We're not World Vision, and our $100,000 might not house the homeless, but our collective contributions are big enough to provide real hope and real change.

Andrew Dunbar CFP®

Director and Senior Financial Planner, Apt Wealth Partners
Licensee: Apt Wealth Partners

In business, it's important to remember that if we have the ability to support more than just our clients and employees, then we should. In the financial services profession, our focus is on better outcomes for our clients, helping them to make decisions, relieve stress, and achieve their goals, so it makes sense that we help the broader community, too.

Philanthropic activity is a great way to support our communities and show that the industry is passionate about helping others and supporting change for good. This is even more important lately, given the recent press caused by a few bad apples. We have a responsibility to show that our industry is so much more than that.

I sit on the board of a not-for-profit foundation, Lungitude, and we support this charity by giving our time, financial support and participating in fundraising.

Last year, I ran a marathon in support of Lungitude. As a business, we encourage our team to contribute to the charities they support by matching donations dollar for dollar and providing an additional day of leave to engage in charitable activities.

I see the difference organisations, like Lungitude, make to the people they support, and this is the greatest reward.

But investing in philanthropic endeavours can also have benefits for the firm, such as increased employee morale and brand awareness.

Would you like to join our panel of FPA members willing to voice their opinion on various topical issues?

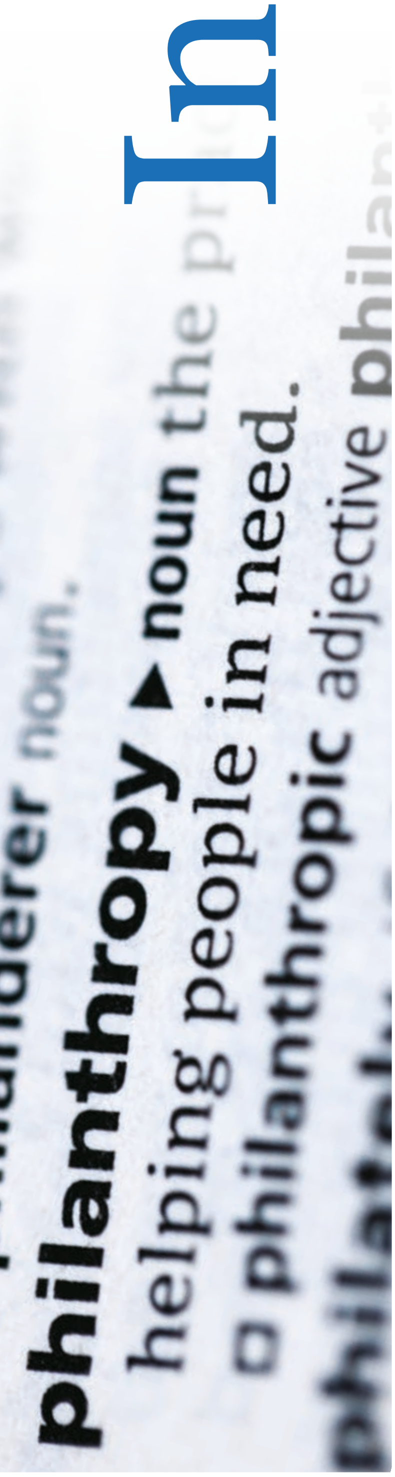
Email *editor@paperandspark.com.au* to register your interest.

Insight

GUEST CONTRIBUTOR

IT'S TIME TO HAVE THE CONVERSATION

As **Sarah Davies** writes, there are a range of philanthropic options available, enabling them to become part of a more giving Australia.



Philanthropy is the planned and structured giving of time, information, goods and services, influence and voice, as well as money, to improve the wellbeing of humanity and the community. Whilst many people know what philanthropy is, it seems many professional advisers are failing to discuss the benefits with their clients.

Research undertaken in 2016 by Queensland University of Technology's Australian Centre for Philanthropy and Non-profit Studies, reveals less than 10 per cent of professional advisers have discussed philanthropy with their high-net-worth clients.

Following the recent Royal Commission into the financial services sector, there is real opportunity here for financial advisers to lead the charge and help grow philanthropic giving in Australia.

There are many benefits of being philanthropic – far more than just claiming a tax refund. In fact, data from the ATO shows that around 43 per cent of taxpayers with a taxable income of more than $1 million did not claim a deduction for donating to a 'deductable gift recipient' in 2015-16.

Sarah Davies

That's an astounding figure, and one where advisers can help make a real impact for their clients and the community. Not only can you advise your clients on the benefits of being philanthropic, but you can also help them maximise their financial benefit.

I'm also more than a little surprised to see data from the Australian Centre for Philanthropy and Non-profit Studies that suggest only one in five advisers have discussed philanthropy from the beginning of the relationship with their clients, whilst nearly one-third of all advisers do not expect the topic to arise.

SOME KEY THINGS TO CONSIDER

At Philanthropy Australia, our mission is to represent, grow and inspire an effective and robust philanthropic sector for the community. To do this, we seek to grow the profile of philanthropic practice and educate the community on its role and the different types of options available.

There are many things to keep in mind when you speak with your clients about philanthropy. Your client might be considering giving as an individual, a family, a community or as a business. No matter who they are, it's important to understand what type of structure will suit them best, or indeed, if they need one at all. The main things to consider are the 'why' and the 'how'.

THE 'WHY'

It requires intimate and personal conversations to determine what your client wants to achieve or do through their giving. Using a structured giving vehicle allows people to give strategically, with intent and design, and to create a financially sustainable engine that fuels giving long into the future. Common reasons and motivations for structured giving include:

- To enable and pass on family values and culture – involving children and/or other family members in giving, which can connect and engage the family over generations;
- To experience giving while alive, and to learn and enjoy from it;
- To 'give back' – a way to recognise the personal opportunities your client may

have enjoyed and provide the same to others;

- To pursue a passion or interest, creating positive change;
- As a response to personal loss or challenge where your client can help others mitigate or avoid the same, or to create a living memory for a loved one; and
- As an opportunity presented by some sort of financial trigger (e.g. a capital gains tax liability or an inheritance) where a structured giving vehicle can be integrated into effective financial planning.

THE 'HOW'

The 'how' needs to be directed by the 'why'. In addition, you need to consider how much your client would like to give, and over what time frame; what degree of control or involvement they want over the various aspects involved (from grant making to investment of funds to administration); what type of decision-making processes they want to use; and how much flexibility they want into the future over the remit and purpose of the giving.

A philanthropic structure may not be needed if your client is only giving a one-off amount, giving for a short period of time or they are only giving a relatively small amount each year (for example $10,000).

A formalised structure may not be needed if your client doesn't require tax deductibility and/or it is easier for them to donate directly to a charitable organisation.

For some clients, a philanthropic structure may be the best option. Core options for your clients include:

- Sub-fund in a Public Ancillary Fund (PuAF).
- Private Ancillary Fund (PAF).
- Testamentary or Will Trust.
- Private Charitable Trust.

The legal, financial and operational requirements, and the cost of the giving program, are influenced by the type of structure your client sets up, so it's important they choose the one that will work for them. If you, or your client, are unsure about the best option, Philanthropy Australia can provide your clients with initial guidance on establishing a structured, strategic approach to your giving.

> *Following the recent Royal Commission into the financial services sector, there is real opportunity here for financial advisers to lead the charge and help grow philanthropic giving in Australia.*

Sub-fund in a Public Ancillary Fund (PuAF)

This might be a community foundation, or a charitable trust fund run by a not-for-profit, trustee company or wealth adviser.

A PuAF must be controlled by a committee – the majority of whom are 'Responsible Persons' (people with a degree of responsibility in the community) under the *Public Ancillary Fund Guidelines 2011.*

Grants or donations from the PuAF can only be made to charitable organisations that are endorsed as DGR (deductible gift recipient) Item 1 by the ATO. Sub-fund donors can have an individually named account to which their tax-deductible donations are credited, and they may make recommendations on the organisations to receive distributions of grants from that account.

There is usually an annual minimum distribution requirement of 4 per cent (of the net value of the fund at 30 June the previous year).

Private Ancillary Fund (PAF)

A PAF is a trust fund for businesses, families and individuals, and set up under the *Private Ancillary Fund Guidelines 2009*. The trust fund is controlled by a company, usually with family members as directors, and at least one independent 'Responsible Person' director (someone with a degree of responsibility in the community).

Family members can make tax-deductible donations but PAFs cannot solicit funds from the public. Grants or donations from the PAF can only be made to charitable organisations that are endorsed as DGR Item 1 by the ATO.

There is usually an annual distribution requirement of 5 per cent (of the net value of the fund at 30 June the previous year).

Testamentary or Will Trust

These trusts are established by the will of the benefactor and do not come into operation until after his/her death. They can attain income tax-exempt status as a tax concession charity from the Australian Charities and Not-for-profits Commission (ACNC) but donations to them are not tax-deductible. They must fund the charitable purposes specified in the will.

Private Charitable Trust

These trusts are established by a donor through a deed with a charitable purpose. They can attain income tax-exempt status as a tax concession charity from the ACNC but donations to them are not tax-deductible. They must fund the charitable purposes specified in the deed.

OPEN UP THE DISCUSSION

I hope this information helps open up your discussions with clients about becoming more philanthropic. For individuals, families, corporations or government agencies looking to set up their own philanthropic structure, Philanthropy Australia can support them through the process and help work out which options may be appropriate.

Sarah Davies is CEO of Philanthropy Australia, the peak body for giving in Australia.

FISH DISCOVER *water last*

As Chair of the Future2 Foundation, **Petra Churcher AFP®** is on a mission to restore trust and confidence in the profession through social conscience and giving. She talks to **Jayson Forrest**.

Spend a few minutes talking to Petra Churcher about philanthropy, and you'd be hard pressed to find somebody more passionate about social giving, making her the ideal choice as Chair of the Future2 Foundation – the philanthropic arm of the FPA.

However, don't make the mistake of using the term 'philanthropy' too often around Petra, who sees it as being an "old" term. Instead, she prefers to see philanthropy move from the concept of improving the welfare of others through the donation of money, to one that encompasses social conscience and awareness.

"I see philanthropy evolving from its traditional concept to one that also integrates a social and ethical agenda into the very fabric of a business. It's not just about doing good as an addition to your business, but having a social and ethical agenda as part of the ethos of the business," Petra says.

It's a view close to Petra's heart and one that she believes will rebuild trust in the profession.

"Trust is integral for financial planning. Without trust, our clients walk away, and our businesses will ultimately fail."

In fact, Petra sees 'trust' as an analogy to the French proverb: *Fish discover water last.* But what does that mean?

"Well, it's really quite logical," she says. "Water surrounds fish all the time, but the fish are unaware the water is there until it becomes polluted or is removed. So, not dissimilar to this analogy of fish and water, as a profession, we all took trust for granted until the Royal Commission. We didn't realise, until now, that we actually have to actively work to earn the trust of our clients and consumers. And now that the trust is gone, we realise that the pollution in the water – or the lack of trust – could kill us.

"As a profession, we depend on trust but we took it for granted. Now that it's gone, we need to do something to rebuild that trust, and social giving and involvement is an excellent way of re-engaging with the wider community and earning back that trust."

+

At Future2, our aim is to be more integral in the lives of financial planners. We want to assist financial planners to rebuild trust within their communities through good social conscience.

A LONG INVOLVEMENT

This month marks six months since Petra took over the reins as Chair of the Future2 Foundation, capping off a long association the Queensland-based AFP® has enjoyed with the charitable arm of the FPA.

Through its annual Future2 Make the Difference! Grants program, Future2 actively supports young Australians experiencing social, financial or physical hardship.

And since its inception in 2007, Future2 has committed over $1 million in grants to grassroots not-for-profit organisations that operate a range of programs for disadvantaged youth. These programs include: skills training, financial literacy, work experience, community service, mentoring, work placement and more. It's an achievement, Petra says, the profession should be justifiably proud about.

"The Future2 Foundation is all about making a meaningful difference to the lives of young Australians, who through circumstances, often at no fault of their own, have fallen upon difficult times," she says. "These young people are our future and if we don't help them, what's our future as a society?"

Petra has always been a strong supporter of Future2, having previously spearheaded many fundraising activities through her involvement as Chair of the South Australia Chapter of the FPA, as well as being a member of the Regional Chapter Committee. She has also served as a Future2 Ambassador, before being appointed to the Future2 Board in 2016.

"Although I was managing a large business at the time, I wanted to give back to the community by being a good corporate citizen. I have a strong sense of social justice and Future2's diversity of grants really appealed to me.

Continued overleaf

"Social justice means you don't discriminate against race, gender, culture, demographics or social circumstances. This sits at the very heart of what Future2 stands for, and it's a view I have always been aligned with."

Today, Petra steers the Future2 Foundation, which last year awarded $181,000 in new grants to worthy charities, including special drought relief grants for struggling farming communities. It's a figure, Petra is keen to increase this year.

MAKING A REAL DIFFERENCE

To date, the grants delivered through the Future2 Make the Difference! Grants program have made a genuine difference to the lives of countless young Australians.

"Future2 has so many great success stories. We have been able to help young people through a range of programs: from mentoring, to suicide prevention, disability projects, substance abuse, migrant training, to indigenous welfare and employment programs."

Petra agrees that it's the diversity of Future2's grants that make it so unique. But she also concedes that this same diversity also makes it challenging for the grants' committee when assessing the grant applications.

"I believe Future2's success lies not only from the support we receive from the profession, but also in the diversity of the grants we have given to not-for-profits. We're not just giving to one type of charity, and although we operate within a framework of supporting organisations with programs for disadvantaged young people, our criteria follows a social justice program that is non-discriminatory."

A key part of Future2's success has been its Future2 Ambassadors, who, as leaders and influencers within the profession, drive many of the Foundation's initiatives and social awareness campaigns.

"They are visible, approachable and professional," says Petra. "They embody Future2 in their demeanour, values and ethics."

We need to behave in ways that inspire trust. Supporting Future2 is just one active step to rebuilding trust, while at the same making a positive difference in the lives of young people who are experiencing social, financial or physical hardship.

So, who are these ambassadors? According to Petra, the Future2 Board is currently in the process of restructuring its Ambassador program. This will include appointing an FPA Chapter Chair in each state as a Future2 Ambassador, with a view to extending this to 30-35 ambassadors across Australia in the near future. And while some ambassadors have already been selected, the Future2 Board is still in the process of contacting others.

And what of the previous Future2 ambassadors?

"We have released all of our past ambassadors, as a result of restructuring this program. However, both the Future2 Board and I warmly acknowledge and thank the previous ambassadors for the commitment they have put into the Future2 Foundation," Petra says.

AMBITIOUS TARGETS ON THE HORIZON

Looking ahead, Petra firmly sees Future2 becoming more embedded within the financial planning profession, particularly as a means of re-engaging with the wider community.

"At Future2, our aim is to be more integral in the lives of financial planners. We want to assist financial planners to rebuild trust within their communities through good social conscience."

However, to achieve this, Petra is acutely aware that this means raising money to fund Future2's ongoing work.

"Last year, we distributed $181,000 in grants, and this year, we're aiming for $200,000, which will build on the over $1 million we have already given to not-for-profit organisations since Future2's inception in 2007.

"So, we need planners to help us on our journey."

With over 100 worthy not-for-profits applying annually for grants, Petra concedes it's a challenge for the grants committee to decide which charity ultimately gets a grant.

"When I'm reading these grant applications, I'm often in tears," Petra says. "The struggle these children and young adults face each day is frightening, particularly in a country like Australia, that is so wealthy and full of opportunities. But due to reasons that are beyond their control or fault, these children find themselves left behind. My heart breaks for them."

And although Future2 is aiming to distribute $200,000 in grants for 2019, Petra says the Foundation would like to see this annual amount double to $400,000 per annum. It's an ambitious target, and Petra is acutely aware this means considerably building up the Foundation's funds.

However, with so many planners and planning businesses already committed to their own philanthropic and social giving causes, Petra concedes it's going to be a challenge to galvanise the profession in its broad support of Future2. But it's a challenge she's up for.

"I think of it like this: If a client came to you and said they didn't need your advice because all their money was in BHP shares and they're doing well, what would you say? You would say they lacked diversity and you would question whether the client was actually acting in their own best interest," she says.

"I align Future2 to the financial planning process in relation to diversity. Future2 provides grants to truly worthy charities that are diverse in the programs they offer to disadvantaged young Australians. So, every planner and individual who donates to Future2 can be assured that their donation is going to support an exceptional program that desperately needs help to continue running."

Spend some time talking to Petra, and it doesn't take too long to be swept up by her enthusiasm, passion and empathy for Future2 and the work it does. So, if anybody can galvanise the profession and achieve that ambitious $400,000 grant target, it's Petra!

TRUST DEFINES WHO WE ARE

In raising Future2's awareness within the profession and the wider community, Petra is calling on planners to support the charitable Foundation in a couple of ways. These include: supporting Chapter events, electing to tick the Future2 donation box when paying the FPA's annual membership fee, and supporting their colleagues who take on a Future2 Challenge – be it the Future2 Wheel Classic or Hiking Challenge.

"Better still, why not sign up for one of the Challenges yourself?," Petra says. "There's no better way of improving your social conscience by getting more involved with Future2. And don't forget to visit the Future2 website and see for yourself the great work the Foundation is doing in the community. Be heartened by the grant recipients and their stories. Just don't accept what we say, have a look at what we are doing!"

And as a parting message to the profession, Petra emphasises the need for it to re-establish 'trust' in the broader community.

"Unfortunately, financial planning has currently lost trust with the community. So, I challenge the profession to take up social conscience and social giving to improve our collective reputation and restore the trust and confidence that consumers have lost in us.

"We need to behave in ways that inspire trust. Supporting Future2 is just one active step to rebuilding trust, while at the same making a positive difference in the lives of young people who are experiencing social, financial or physical hardship."

Petra says she wants to build the 'trust' element into Future2 as one of its core pillars, because it's "re-establishing trust that will be the key for the profession in re-engaging with Australians".

"I would also love to see more financial planners become more involved with assisting youth in their own communities and build on this to become good corporate citizens. I'd also encourage planners to support these youth programs in seeking support from Future2 for a $10,000 grant.

"Remember, these young people are Australia's future. As a community, we have a responsibility to ensure we give these young Australians the very best opportunity to be the best they can be, despite the difficult circumstances they find themselves in."

For more information, go to future2foundation.org.au.

PRACTICE MANAGEMENT

CHARITY BEGINS AT HOME

According to **Amanda Sartor CFP®**, the best way to help others give, is to give yourself. Amanda speaks to **Jayson Forrest** about the new philanthropic service offering she is overseeing at Elston.

It says a lot about a company and its approach to charitable giving when it appoints its own dedicated manager to oversee its philanthropic service offering. But that's exactly what Brisbane-based Elston did last year, when it appointed Amanda Sartor CFP® to head up the business' new specialist service in philanthropy.

Amanda's breadth of experience as a CFP® practitioner, coupled with her qualifications in philanthropy, as well as her current Masters in Philanthropy studies at Swinburne University, shows this is no lightweight appointment, demonstrating just how serious Elston is about its philanthropic offering.

"I've always been passionate about growing 'giving' in Australia, and this new role as Philanthropic Services Manager at Elston, allows me to help advisers support individuals, families and companies to get the most from their charitable giving," Amanda says.

It's a belief that she lives everyday, saying the best way to help others give, is to give yourself. And Amanda does this in spades, involved in several voluntary and philanthropic initiatives, including a committee member of the Women & Change giving circle, 10x10 Philanthropy and former director of the Brisbane Women's Club. You can also add to that list her work as a consultant for Philanthropy Australia.

But with $2 billion in assets under management, why would Elston, as a fully integrated and privately owned wealth management and advice business, branch into philanthropy?

"It's an interesting question," says Amanda. "There were two key reasons why Elston decided to offer this service – client demand and business best practice.

"As the average net wealth of our clients increase, their priorities have shifted from wealth accumulation and protection, to finding purpose for their wealth and effectively transferring it to the next generation."

According to Amanda, these changed priorities have provided the business with the opportunity to use philanthropy as a way for its clients to create a meaningful legacy by engaging with and giving back to their community.

"And from a multi-generational wealth perspective, we're using philanthropy as a forum for clients to engage with their kids about what their social values are, thereby creating an opportunity for this next generation to get involved in the concept of gift-giving. By doing so, we're encouraging good stewardship in our clients' children by getting them involved in a limited capacity, potentially with trustee responsibilities of a foundation, to build up their philanthropic skills over time."

Elston also views philanthropy as industry best practice, with a vision to be the most trusted and respected financial services firm for its clients, staff and the community it operates in.

Amanda is particularly proud of the willingness of the Elston team, across its eight offices, to participate in a range of employee-driven activities, where team members often

PRACTICE: Elston

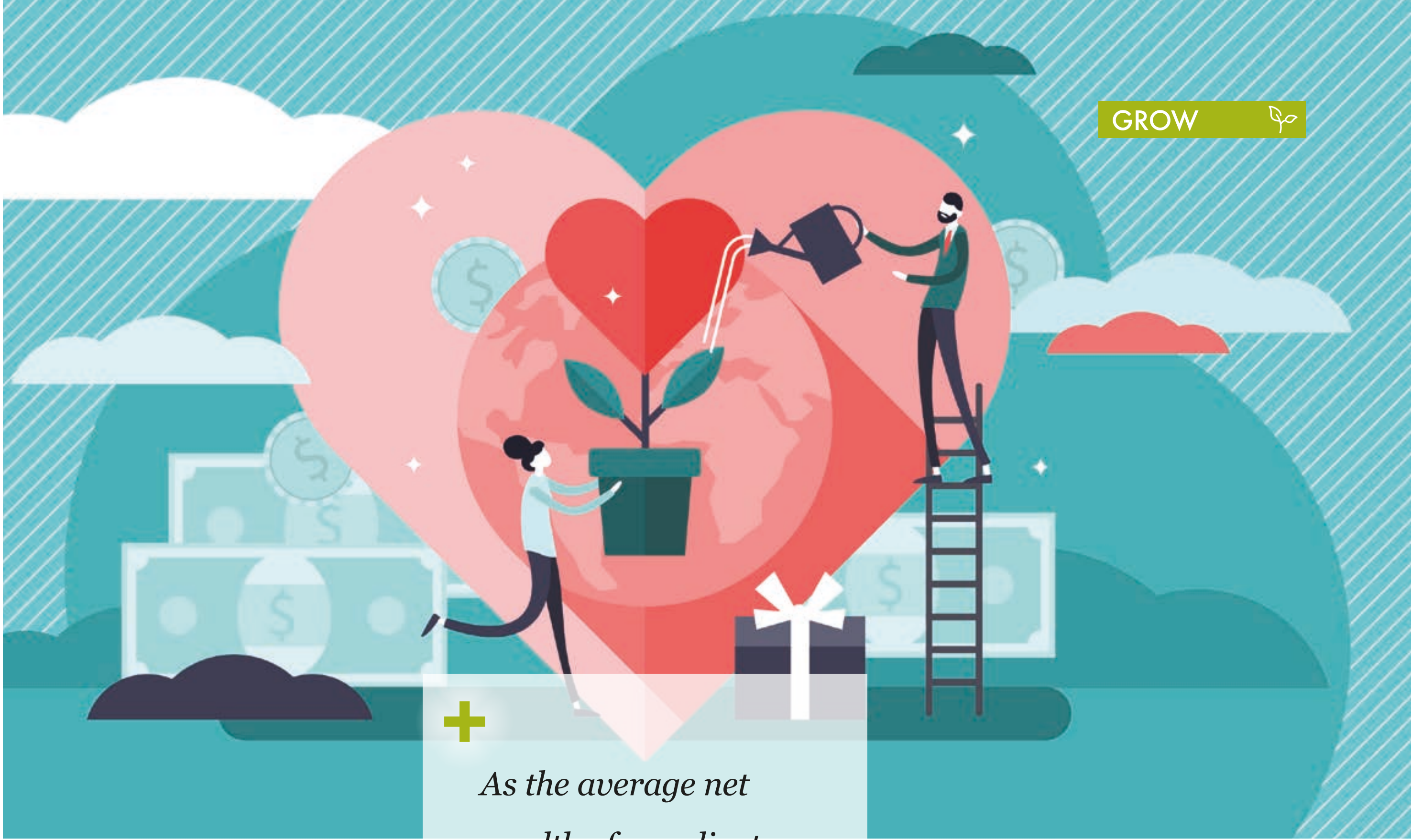
Licensee: EP Financial Services

Established: 2008

Number of staff: 77

Number of practitioners: 41

Number of CFP® practitioners: 19



> *As the average net wealth of our clients increase, their priorities have shifted from wealth accumulation and protection, to finding purpose for their wealth and effectively transferring it to the next generation.*

volunteer their time on various charity boards or fundraisers with community organisations and programs.

ADDING VALUE THROUGH CHARITABLE GIVING

Although Elston has only been offering its philanthropy service to clients for just over six months, Amanda concedes a lot of work and due diligence went into building its service offering.

"Naturally, there is a lot of planning, testing and client feedback involved in setting up a new integrated service," she says. "There was a lot of upfront investment with getting this service offering off the ground and running. This included building new documented processes, investing in new marketing material, and all the business development around that."

However, throughout the entire implementation phase, Amanda adds it was critical to engage with and upskill the firm's planners about what philanthropy is. This included explaining the various giving structures that clients can set up and donate through, as well as showing planners how to engage with clients about philanthropy.

Amanda also impresses the importance of having strong advocates to share their philanthropic stories with other planners, by demonstrating the value philanthropy can provide to clients.

"Advocates within a business can be very powerful. They ensure that service offerings, like charitable giving, stays front-of-mind, by showing other planners how philanthropy is adding value to what they're doing, and not just with existing clients but by attracting new clients as well."

And advocacy is not just planner driven. Elston has made good use of showcasing client stories, including a podcast, in which a client talks about how her philanthropic dream became a reality. As Amanda says: "There's nothing better than real-life stories."

SHARING THE JOURNEY

Although it's still early days for the business, Amanda credits much of the success of Elston's philanthropy service to the team's support and take up of the offering.

"It's always been about bringing everybody at Elston along on this journey of giving," she says. "Because philanthropy is a very personal topic for most clients, as a business, the more we encourage our team to get involved in charitable opportunities, it has heightened that awareness and comfort around having natural conversations around philanthropy with clients, and that's been terrific."

In fact, Amanda believes philanthropy is the ideal opportunity for planners to better engage with clients, by allowing them to broaden their conversations with clients about causes that are close to their hearts. She says if giving back to the community or creating a philanthropic legacy is important for clients, then having this type of conversation is an ideal way to build deeper relationships with them.

"It's the type of engagement that goes a long way in encouraging client advocacy and referrals," she says. "Having these types of conversations really set planners

Continued overleaf

apart, particularly in relation to establishing trust and confidence in the client-planner relationship."

A THREE-PRONGED APPROACH

Amanda says the business is currently using a three-pronged approach to engage with clients about philanthropy, which includes:

- as part of the general financial planning process;
- tax minimisation; and
- inheritance and intergenerational wealth transfer discussions.

Firstly, Elston is incorporating the topic of philanthropy in everyday discussions and strategies that planners are having with their clients, including estate planning.

"We're trying to better understand what type of legacy a client wants to leave. And if they don't have beneficiaries, then it becomes relevant around whether the client wants to leave a charitable legacy."

Secondly, discussions about philanthropy become quite critical in relation to tax strategies that planners are having with their clients, particularly if they have a significant tax event, like selling a property or the sale of a business.

"If clients have the capacity to donate, we can use philanthropy as a means of minimising their tax, while enabling them to control where 100 per cent of their donation is spent."

The third prong of Elston's approach is having conversations with clients around their inheritance and how their children will inherit the family business or family wealth. Importantly, this type of conversation is about preparing the client's children though financial education and aligning them to the philanthropic values of their parents.

A CHOICE OF VEHICLES

Typically, when a client is referred to Elston's philanthropic service, the type of structure planners are most often called upon to establish is a Private Ancillary Fund (PAF). This type of structure provides clients with more control over their donations and enables them to act as trustees of their own charitable trust. But Amanda concedes this structure does require a lot of ongoing governance and compliance that needs to be properly managed.

"By supporting our clients with their PAF, they feel confident that everything is run compliantly, allowing them to focus on where they gift their money each year and in what ways they can involve their family in that process."

Unlike a PAF that requires about a minimum of $500,000 in funds to operate, Elston is beginning to have conversations with clients around setting up charitable sub-funds, which can be set up for as little as $50,000. This type of structure offers a much lower cost of entry and lower complexity for clients who want a perpetual giving vehicle.

4 ways to donate

Whether clients want to support their local community, honour a loved one or make a lasting impact, there are many ways they can support a charity or cause close to their heart. Here are some:

DIRECT DONATIONS

Donating directly to a charity is the most common way to give. This can be through writing a cheque or participating in a fundraising event, such as the Future2 Wheel Classic or Hiking Challenge. Giving directly to charities works best when clients know and trust the organisation and also know what impact their donation is having. If tax effectiveness is not a priority, they can support any charity or cause they choose.

OPEN A CHARITABLE SUB-FUND

Many individuals and companies aren't aware they can establish their own perpetual charitable fund with as little as $50,000*.

Opening a sub-fund gives clients the ability to make a donation now and then disburse funds to charities over time. This provides an effective donation vehicle for those with significant tax events or higher taxable incomes in the current year but not necessarily going forward. They can name their sub-fund after their family or loved one and decide who to donate to each year.

This option is great for those who want to create an enduring legacy but are happy to outsource the administration, management and investment decisions.

ESTABLISH A PRIVATE ANCILLARY FUND (PAF)

Commonly referred to as a Private or Family Foundation, a PAF is a philanthropic trust structure that helps clients take a more planned approach to their giving and is recommended where their donated funds are $500,000* or more.

This vehicle is generally suitable if clients would like full control and are comfortable to take on the trustee responsibilities. It also provides a perfect opportunity to engage and involve the wider family in grant making. The ability to invest their donated funds in this way delivers a significant opportunity to magnify their donations over time.

CREATE A CHARITABLE TESTAMENTARY TRUST

If the idea of leaving an enduring legacy appeals to clients but they don't have the available funds to give to charity now, setting up a charitable Testamentary Trust or leaving a charitable bequest through their will could be an alternative. This option provides clients with the ability to create a foundation in their family name, or for a cause that lives on for many years in the future.

Source: Elston

** Amounts quoted are based on industry recommendations and what is usually available in the market.*

"Essentially, a charitable sub-fund is similar to a retail super fund in that you have an account within an existing structure, but you are outsourcing all the reporting, compliance and regulation to another trustee. A charitable sub-fund supports giving from a much more accessible level," Amanda says.

"However, clients can set up either type of structure, donate into them and enjoy the same tax advantages."

Regardless of which type of structure clients choose, Amanda says it's important to help clients articulate their vision for giving, which includes identifying what they are passionate about and what impact they ultimately want to make with their money.

It's an approach that is working for Elston, with clients overwhelmingly responsive to the new service offering, keen to learn more about using philanthropy to create their own legacy.

"We have a number of existing clients with PAFs and they are appreciative having a dedicated specialist in-house to support them in running the structure and to assist with their grant making," she says.

"We're also having a lot of engagement with clients from a charitable legacy perspective, so when we're having estate planning conversations, we're able to better educate them around setting up trusts or bequests through their will. And as part of the process, we also work with their lawyer."

CONSIDER A SPECIALIST

Amanda emphasises that offering a philanthropy service is a huge undertaking for any business and not something for the faint-hearted. So, does this mean you need scale to do it successfully?

"Probably yes," she says. "In terms of providing a formal philanthropy service, like we've done at Elston, and particularly in helping clients manage a PAF and their grant making, this does require a lot more resources, specialist knowledge and skills.

"And there are also a lot of nuances in the regulation of PAFs to consider, as well as the constant changes happening in the not-for-profit and philanthropic sectors to be aware of."

Amanda's advice then?

"First and foremost, a planning business needs to ask: 'What is our objective in offering a philanthropic service?'. If the answer is about adding value to their client relationship or differentiating themselves in the market, I'd question whether they need to provide this service internally or whether they can utilise an external specialist?

"Without the scale or resources to roll out your own philanthropy service, I would recommend a planner engage a philanthropic specialist to support them and their clients to get the best outcome."

> *Having these types of conversations really set planners apart, particularly in relation to establishing trust and confidence in the client-planner relationship.*

She emphasises that engaging a philanthropic specialist is not about outsourcing this part of the client-planner relationship. Instead, it's about bringing in a specialist to assist the planner deliver the best client experience possible.

But what if planners are keen to formalise a service offering within their business?

"Then I would recommend they first research the various philanthropic structures and speak to other financial planning firms that have their own internal capability. This will help them to understand what is involved."

KEY LEARNINGS

With the Elston philanthropy service now operating for six months, what were some of the key learnings from rolling out the offering? For Amanda, the biggest learning was the importance of bringing staff and clients along the journey towards implementation.

"We have over 40 planners situated in different locations across the eastern seaboard. So, bringing in any new change for a business can take planners a little while to get onboard with," she says. "For me, this was really about shifting how I work with planners and their teams, to help them shape and leverage the service to provide value to their clients. This involved tailoring my approach for each planner, which included taking the time to fully understand what their business needs were and the needs of their clients."

Very early on during the implementation phase, Amanda recognised the importance of "putting everything on a platter" for the advice team, so it was easier for them to understand and introduce the charitable giving service to clients. This involved Amanda creating standardised templates and resources, which planners were easily able to use in client meetings.

"I'm constantly reviewing these templates and resources based on planner feedback," she says. "This is allowing me to tailor these resources in a way that makes our planners feel more comfortable and better suits their approach to discussing philanthropy with their clients."

And finally, Amanda recommends any planner wanting to offer advice on charitable giving to upskill.

"There are some great postgraduate courses on philanthropy that will help planners to better understand the various aspects of this sector, like regulation and compliance.

"And if in doubt, contact Philanthropy Australia. It has a range of resources, information and contacts to help you decide if a philanthropic service is right for you and your business."

Life

IN THE COMMUNITY

WHEEL CLASSIC CHALKS UP 10 YEARS

This year marks the 10th anniversary of the Future2 Wheel Classic. As he prepares for his seventh ride, **Craig Phillips** AFP® talks about his motivation for participating in these annual rides.

In a milestone for the Future2 Foundation, this year marks the 10th anniversary of its signature fundraising event – the Future2 Wheel Classic. Over that time, the Wheel Classic has raised $954,000, with funds going to support not-for-profit organisations focused on projects helping disadvantaged young Australians.

And ready to jump back into the saddle again for his seventh ride is Craig Phillips AFP® – the managing director of Canberra-based Phillips Wealth Partners.

Apart from the obvious benefits of improving his overall level of fitness, Craig attributes his real motivation for participating in the arduous Wheel Classic bike ride to the "crucial charity" the event supports – the Future2 Foundation.

"We live fairly privileged lives, so to help disadvantaged young Australians who deserve a second chance, by raising funds for extremely worthy not-for-profit charities, is very rewarding," he says.

Craig Phillips AFP®: This year will be his seventh Wheel Classic ride.

Since its inception in 2007, the Future2 Foundation – the philanthropic arm of the FPA – has raised over $1 million for charitable organisations focused on projects helping young Australians.

This year's Future2 Wheel Classic is a six-day ride, departing Melbourne on 22 November. But what inspires Craig to commit to the ride – year in, year out?

"One of the biggest incentives is meeting the new riders and support crew from around the country, and seeing our amazing countryside from two wheels," he says.

"We are all very like-minded, riding for a cause close to our hearts, while raising awareness for the great work Future2 does in the community. The camaraderie is special, as we battle the weather and terrain for up to 10 hours each day. Clients really appreciate the fact that I'm dedicating my personal time to support the Future2 Foundation."

SOCIAL GIVING IDEALS

Craig admits his involvement with the Future2 Wheel Classic is part of his charitable ideals.

"The Wheel Classic is something that I can fit into my busy schedule and life, while raising funds and awareness for truly worthy causes. I've had the opportunity on some of the previous rides to meet some grant recipients and see first-hand the great work they are doing in their communities, which helps with my motivation to step-up again for another ride."

Craig firmly believes that philanthropy, through social causes like Future2, is vitally important for the profession, particularly as a means of re-engaging with consumers, and re-establishing trust and confidence in financial services.

"The positive feedback you get from all sections of society when people make the link between what we do as professionals and what we do in our spare time, like our work with Future2, is incredible.

"There are so many planners already doing amazing work to secure the financial futures of their clients. But much of this work is done behind closed doors and is largely invisible to the wider community. So, our very visible involvement with Future2 clearly demonstrates that our care extends much wider than just sharemarket returns and spreadsheets, and this can only enhance our standing within the broader community."

CAMARADERIE THAT BONDS

Craig talks about the camaraderie that is created by participating in an event like the Wheel Classic or the Hiking Challenge, which are well supported by Future2's David Eck. It's the type of camaraderie, he says, that extends well beyond the event itself, with many friendships lasting for years.

And then, of course, there are the numerous 'lighter' moments that come from participating in such an event.

"There was a particularly amusing incident a couple of years ago, where Peter Bobbin, Shaun Weston-Cole and I stopped for lunch at a cafe in a small regional town in Western Australia," Craig says. "Peter wanted a plain cheese and tomato sandwich. However, the waitress wouldn't oblige, saying the sandwich would have to be toasted. Despite Peter's best negotiating skills as a lawyer, the waitress would not relent. Peter finally offered a solution: 'As you're about to close the lid on the toaster, just slide the sandwich out and give it to me.'

"The waitress was unimpressed and refused to oblige. The look on Peter's face was priceless. As the other patrons in the cafe burst into laughter, I had to leave the cafe to conceal my own laughter. So, Peter had a toasted sandwich that day!"

Craig says it's these types of stories and unexpected events that bond the participants and makes the Wheel Classic so special.

A RIDE THAT'S ACHIEVABLE

Is the Wheel Classic something he would recommend for anybody or is it a ride best left for experienced cyclists? Craig has mixed views: "Whilst it helps if you are a cyclist, as long as you properly prepare, which includes strength training in the legs and riding in small groups, the Wheel Classic is a very achievable event to participate in.

"We've often had riders who have never cycled more than 80km in one ride, but who have surprised themselves, and go from strength to strength each day."

However, he believes it's important to be mentally strong, particularly on those days when you really need to push yourself.

For any cyclist considering joining Craig on this year's six-day ride out of Melbourne on 22 November, he offers the following advice.

"You need to start preparing now. That means having a bike that can withstand the 819km distance we will be riding. And if you're not sure about what type of training you should be doing in the lead up to the Wheel Classic, just drop into your local bike shop and ask them for a rough training guide to help you achieve the required set distance over six days in the time you've got to prepare."

Craig also recommends participants steadily build their fitness level up, and definitely not wait until the last month to do this. "Spending time in the bike saddle is the key to building up your fitness. This means riding hills, going for long distance rides, working on your nutrition, and learning how to 'bunch ride' in a group with other cyclists, as the better riders will help you achieve your targets faster."

It's great advice from this seasoned cyclist, who adds: "And for any new riders, you can expect to receive plenty of support and encouragement from the other riders. So, what are you waiting for?"

Rise to the Challenge

The Future2 Foundation is calling for cycling and hiking enthusiasts to participate in one of two challenges following the conclusion of the 2019 FPA Professionals Congress in Melbourne (20-22 November).

The annual Future2 Wheel Classic departs from Melbourne's Federation Square on 22 November. The six-day ride will cover a distance of 819km, before finishing back in Melbourne on 27 November.

The route will take in the picturesque Daylesford Ranges, with an overnight stop in the historic town of Kilmore, before cycling through the goldfields of Ballarat and then the rolling hills around Apollo Bay.

Riders will cycle the famous Amy Gillett Fondo route before heading along the Great Ocean Road and its panoramic views. There will be an overnight stay in Queenscliff on the Bellarine Peninsula, before a ferry ride across to Sorrento and a final ride along the Portsea beaches around Port Phillip Bay back to Melbourne. Riders can also opt for a shorter three or four-day ride.

And for those preferring to keep their feet firmly on the ground, Future2 has organised a five-day hiking challenge taking on the Grampians mountain ranges.

Now in its third year, participants in the Future2 Hiking Challenge will head to the Grampians National Park on 22 November and trek to their camp site for a welcoming camp fire dinner. Over the course of the next four days, participants will hike the spectacular sandstone ridges, the impressive peaks and valleys, and enjoy the stunning views of the Grampians, before heading back to Melbourne on 26 November.

By signing up to the Wheel Classic, riders will undertake to raise at least $1,500 for the Future2 Make the Difference! Grants program, while the hikers will need to commit to a fundraising target of $1,200.

For more information or to register your interest, go to future2foundation.org.au/get-involved or email: events@fpa.com.au

A SECOND CHANCE

The CHANCES Scholarship Program, run by the Boroondara Cares Foundation, is all about providing a ‘hand up’, not a ‘hand out’.

GRANT RECIPIENT:
Boroondara Cares Foundation

GRANT AMOUNT:
$10,000

ENDORSED BY:
Richard Addison AFP®

FPA CHAPTER:
Melbourne

The Boroondara Cares Foundation (BCF) is a charitable organisation created by the eight Rotary Clubs within the leafy borders of the local government area of Boroondara – located in the eastern suburbs of Melbourne and including the areas of Kew, Balwyn, Camberwell and Hawthorn.

However, beneath the leafy street landscapes and affluence, Boroondara hides some serious community issues.

Amongst these issues, there are 17 neighbourhoods in Boroondara where the average income is below the poverty level; there are approximately 400 homeless people and an estimated 10,000 lonely and isolated people living in Boroondara; and some young families are struggling to cope with the pressures of raising children, resulting in these kids suffering low self-esteem and family violence.

To help address the issues of homelessness, social isolation, educational disadvantage, family violence and drug abuse, the BCF was formed in 2015 to tackle the issues of poverty, disadvantage and social issues in Boroondara.

Working out of the Accru Wealth Management office in Hawthorn East, Richard Addison AFP® is only too familiar with the disparity in wealth in the Boroondara area, but is also acutely aware of how difficult it is for not-for-profit organisations working in Boroondara to get funding and grants for their charitable work.

“Like most charitable organisations, BCF struggles to get grants and are usually turned down as soon as people read the word ‘Boroondara’, as it’s seen as being an affluent area,” Richard says.

CHANCES SCHOLARSHIP PROGRAM

Richard was impressed by BCF’s CHANCES Scholarship Program, which is aimed at closing the gap on educational inequality and poverty for secondary and tertiary students, by providing educational scholarships to financially disadvantaged, but highly motivated and talented young people who live and/or study in Boroondara.

According to CHANCES Program manager, Helen Worladge, students living and studying in Boroondara who find educational inequality a strong barrier to achieving their educational dreams are often socially isolated, and because they live and/or study in an affluent area, often feel loneliness, suffer from lack of confidence, and can be affected by cultural barriers and social status.

“To qualify for a CHANCES Scholarship, families or individuals must be in receipt of a Centrelink Health Care Card, that is, receiving less than $34,000 per annum to receive a scholarship,” Helen says.

The CHANCES Program has been operating since 2007 and since then, has awarded over 900 scholarships, with 99 per cent of recipients having completed a degree or a vocational qualification. The program was even evaluated in 2017 by independent consultants, Think Impact, which determined that for every $1 invested in the program, between $12 and $17 of social and economic value was created to the students, their families and the wider community.

In fact, so impressed with the work BCF was doing with the CHANCES Scholarship Program that for the previous two years, Richard had endorsed BCF’s Future2 grant application.

Finally, in 2018, after his third endorsement, the judges also recognised the program’s outstanding achievements by awarding BCF a $10,000 grant for the CHANCES Scholarship Program.

“As a business, we have a long association with BCF extending back over the last 10 years,” Richard says. “I truly believe BCF makes a positive and discernible difference to people’s lives in the local area, so I was delighted that a grant

Success story: Daizy Maan is part of the CHANCES alumni program. She is currently Program Manager of SPARK Deakin – Deakin University's entrepreneurship program. Daizy is also a Director of the Canterbury Combined Local Community Bank.

was awarded to the CHANCES Scholarship Program."

TAILORING THE SCHOLARSHIP

According to Helen, the $10,000 Future2 grant will go towards providing scholarships to 10 talented but financially disadvantaged young people aged between 12 and 25, who attend state secondary schools and tertiary institutes in Boroondara, and whose family is in receipt of Centrelink income support.

"These scholarships will support recipients to stay in school, complete Year 12 and successfully transition to tertiary education. The impact of these scholarships is life changing and has intergenerational effects," Helen says.

The unique aspect of the CHANCES Scholarship Program is that it enables recipients to tailor the scholarship to suit their individual needs. Applicants list the items they wish to purchase in their scholarship application. Items vary according to the skills and interests of the student and include enablers, such as uniforms, texts and MYKI (transport) cards, camps and excursions, music, art supplies and drama lessons.

"These funds not only meet the students' material needs, they also reduce their level of anxiety about their inability to participate fully in the school curriculum," Helen says. "A MYKI card, for example, not only enables them to travel to and from school, it also enables them to participate in cultural and social activities and reduce social isolation."

MAKING A DIFFERENCE

Daizy Mann is one of many CHANCES scholarship recipients, who speaks glowingly of the program.

"CHANCES enabled me to do things that matter during high school. Helen, who manages CHANCES, went out of her way to help me and after assessing my application, she nominated me for Boroondara Young Citizen of the Year – an award I was surprised and humbled to be given. Shortly after, I was nominated to be on the board of a community publicly listed company," Daizy says.

"I do think CHANCES and the people behind BCF had a large part to play in helping me unleash my talents and focus on things that mattered during a time where I had very little support and my family lived interstate. It was also the first time I truly understood what it means to be supported in a community.

"Nowadays, I manage Deakin University's Entrepreneurship and Innovation Program – SPARK Deakin, where I have the opportunity to support young entrepreneurs."

It's another great success story of the CHANCES Scholarship Program.

Commenting on his involvement with BCF, Richards says it has been a good opportunity to support a local organisation that assists financially disadvantage youth in the local area.

"Through its grants program, Future2 is providing young Australians with some basic 'confidential' and 'structured' financial support to ensure they have the same opportunities as others in the community," he says.

"And that's the great thing about a Future2 grant, helping those who need a helping hand."

> *Like most charitable organisations, BCF struggles to get grants and are usually turned down as soon as people read the word 'Boroondara', as it's seen as being an affluent area." – Richard Addison*

Learn.

THE USE OF INSURANCE FOR BUSINESS SUCCESSION PLANNING

Crissy De Manuele

BT

This article is worth
0.5 CPD hours

ASIC Knowledge Area
Insurance

FASEA CPD Areas
Technical competence

INCLUDES:

- Buy/sell agreement
- Valuing the business
- Ownership structure
- Insurance ownership

If your client owns a business with other people, it's important for them to agree on how ownership of the business will be transferred, should one of the owners (or principals) pass away, become disabled, or leave the business for another reason, such as resignation or retirement. This is known as business succession planning.

Business succession planning is a formal process that enables the business principal(s) to develop preferred exit options, whilst they are still in a position of control. As part of that process, the business principals should establish a legal agreement, such as a buy/sell agreement to provide more certainty in this situation.

Insurance can provide the surviving business principals with the funding to purchase the departing principal's value of the business.

This article explains what is meant by a buy/sell agreement and how it works, as well as how insurance can help businesses meet the requirements set out in a buy/sell agreement.

WHAT IS A BUY/SELL AGREEMENT?

A buy/sell agreement is a legal agreement between business principals that stipulates what must happen to a departing principal's interest in the business or partnership, should a particular trigger event occur.

A buy/sell agreement can be structured to give the remaining principals the legal right to buy their interest in the business, for a specified amount. The agreement may also give the departing principal (or their beneficiaries) the right to sell their interest in the business to the other principals (or another interested party), should one of these events happen to them. The purchase can be funded by life insurance policies, taken out on the lives of each principal.

A solicitor will generally need to draft the buy/sell agreement. When drafting the buy/sell agreement, it's important for the business principals to agree on what outcomes they would like to achieve. The buy/sell agreement should also take into account each of the business principals' wills, and the solicitor may suggest amending their wills to align with the buy/sell agreement.

Example 1
John, Brad and Michael are all equal partners of a transport business called 'Transport to You', which is currently valued at $6.2 million. They have decided that if any of them leave the business, they expect to receive an amount equal to their proportion of the partnership. If they pass away, they want their spouses to receive the same amount.

They have also all agreed they do not wish for any of their spouses to become a partner in the partnership if they were to pass away, and the remaining partners will absorb the departing partner's equity.

They meet with a solicitor who suggests that they each sign a buy/sell agreement. The buy/sell agreement legally enforces that, if due to certain trigger events, one of the partners leaves the partnership, the value of their proportion of the partnership will be paid to them (or their spouse) upon their departure.

The trigger events include:

- *Death;*
- *Total and permanent disability (TPD);*
- *Critical illness (also known as trauma or Living Insurance), where they are inactive from the business for at least six months; and*
- *Resignation.*

TYPES OF BUY/SELL AGREEMENTS

There are generally two types of buy/sell agreements used. These are:

- mandatory agreements; and
- put and call options.

Mandatory agreements are also known as 'must buy/must sell' agreements. With these types of agreements, the relevant parties must agree to buy and sell the business interest if certain trigger events occur.

With put and call options, if a trigger event occurs, the departing principal (or their beneficiaries or estate upon death) can exercise the put option (their right to sell), so the remaining principals can purchase the interest in the business. Alternatively, the remaining principals can exercise the call option (their right to purchase), so the departing principal (or their beneficiaries or estate upon death) must sell their interest in the business.

Put and call options can provide more flexibility because if both parties decide not to exercise their put or call options, the sale of the interest in the business does not have to occur. However, if either party exercises their option, the transfer of ownership must occur.

HOW CAN INSURANCE ASSIST WITH BUSINESS SUCCESSION?

Not all trigger events, such as resignation, can be insured for. However, insurance may be taken out on each of the principals for insurable events, such as death, TPD or critical illness.

The insurance benefit can provide the funding, so that the remaining principals can purchase the departing principal's value of the business (either indirectly or directly) if one of these events occur.

If the business principals decide not to take out insurance or where there is a gap between the insured amount and the value of the departing principal's share of the business, the remaining principals may have to:

- Sell business assets;
- Sell their own personal assets;
- Gradually buy out the share in the business or interest in the partnership; and/or
- Borrow money or obtain vendor finance to provide them with the necessary funding.

If a new principal enters the business, they may be able to provide the capital needed to purchase the departing principal's interest in the business. However, this could take some time and the departing principal or their estate/dependants may require the proceeds during this time.

VALUING THE BUSINESS

Valuing the business is an essential part of business succession planning. A proper valuation can reduce the likelihood of potentially awkward or unfair negotiations on price, or even disputes with a departing principal or their beneficiaries. A proper valuation can also give the parties to the agreement, and their beneficiaries, much greater clarity about what their interest in the business is worth and how much they would need to pay to purchase an outgoing principal's share.

+

Not all trigger events can be insured for. Insurance may be taken out on each of the principals for insurable events, such as death, TPD or critical illness.

This can provide guidance as to how much each of the principals should be insured for.

It is generally a good idea for the valuation to be updated each year, or when the circumstances of the business change. A regularly updated valuation may reduce the risk of disagreements and help enable a smooth transfer.

Without this adjustment, there may be a gap between the value of the business to be transferred and the amount of insurance cover to pay for it.

WHO SHOULD OWN THE INSURANCE IF THE PURPOSE IS FOR BUSINESS SUCCESSION PLANNING?

Where insurance is taken out for the purpose of funding a departing principal's business value, the insurance can be:

- Self-owned by each business principal;
- Cross-owned by the business principals on each of the other principal's lives;
- Owned within a trust (trust ownership);
- Owned by the company; or
- Held within superannuation.

When advising clients on the policy ownership, consider:

- The legal requirements and wording of the buy/sell agreement structured;
- The ability to transfer the insurance, if needed in the future;
- The structure of the business and potential ownership changes in the future;
- Who will pay the premiums and how to ensure that the policies don't lapse; and
- The taxation treatment of the insurance benefits.

Each type of ownership structure is explained in further detail as follows:

Self-ownership

Self-ownership involves each principal holding an insurance policy over their own life. The premium expense can either be shared, or each principal can pay their own premium. If a principal dies, the insurance benefit can be paid directly to their beneficiaries or estate. If they become disabled or suffer critical illness, they can receive the proceeds. The buy/sell agreement can be structured,

Continued overleaf

Table 1

Type of insurance	Is CGT payable on the benefit?
Term Life	No, unless paid to an entity other than the original principal, and the policy was transferred for some consideration.
Trauma or TPD	No, if paid to the life insured, a relative^, or trust; and the proceeds are paid to a beneficiary of the trust that is the insured person, or a relative^ of the person. Yes, if paid to anyone other than the life insured, a relative^, or trust, where the proceeds are paid to a beneficiary of the trust that is not the insured person nor a relative^ of the person.

^ *A 'relative' is defined in section 995-1 of the Income Tax Assessment Act 1997 as:*
(a) *the person's spouse (includes de facto and same sex);*
(b) *the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of that person, or of that person's spouse; or*
(c) *the spouse of a person referred to in paragraph (b).*

so as to reduce or eliminate the amount that the surviving principal/s must pay to acquire the departing principal's share, by the insurance proceeds paid from the departing principal's policy. This helps the surviving principal/s, as the insurance proceeds will represent some or all of the purchase value.

Cross-ownership
Cross-ownership involves the business principals holding an insurance policy over each of the other principals' lives. The buy/sell agreement can be structured so that the insurance proceeds are used to help fund the transfer of business ownership.

Trust ownership
The insurance policy may also be owned by a discretionary trust. Where this is the case, the trustee will distribute any insurance proceeds in accordance with the trust deed. Trust ownership may be useful when policies for other purposes are owned in the same trust, or where proceeds from a single policy are to be used for multiple purposes. Trust ownership is complex and therefore professional taxation and legal advice is essential.

Company ownership
When the insurance policy is owned by a company, the proceeds from a death, TPD or critical illness insurance claim may be used by the company to buy back the departing principal's share(s). The result is that the remaining principals will hold a greater percentage of equity in the business without actually purchasing additional shares. This may create a greater tax liability upon the eventual sale of their existing shares.

Super ownership
It can be tax-effective to fund a life insurance policy inside superannuation. The super fund can claim tax deductions for the cost of providing Term Life and TPD cover. Contributions made into the fund to cover the premium costs will also generally be tax-deductible, however, contributions tax will apply to those contributions. Division 293 tax may also apply to those contributions, depending on the partner's income.

Holding insurance within super for a buy/sell purpose can also create complexity, due to contribution caps, and restrictions on the types of insurance and features that can be held within super. For example, trauma insurance cannot be taken out within super.

There may also be tax consequences at the time of claim, especially where death benefits are paid to non-tax dependants. Nominated beneficiaries are restricted to dependants as defined under the *Superannuation Industry (Supervision) (SIS) Act*; and, if a death benefit is paid, this might be paid to someone other than the intended beneficiary.

More importantly, the Australian Taxation Office (ATO) has previously expressed the view in ATO ID 2015/10 that holding insurance within a self-managed super fund (SMSF) for a buy/sell purpose is likely to result in a breach of the sole purpose test. Therefore, clients considering holding insurance within an SMSF for this purpose should seek legal advice or obtain a private ruling before setting up the insurance.

MATCHING THE INSURANCE OWNERSHIP TO THE BUY/SELL AGREEMENT

If the ownership structure doesn't match up with the buy/sell agreement, or if insurance is taken out and a buy/sell agreement is not entered into, problems can arise. In some instances, a departing principal (or their dependants) may end up with the insurance proceeds, as well as the departing principal's share of the business. Conversely, if the agreement and insurance are not set up correctly, the departing principal (or their dependants) could wind up receiving nothing when they depart the business.

Example 2
Marie and Janice are both married and co-principals of an accountancy business. The business is currently valued at $2.5 million. They have set up a buy/sell agreement in which they have agreed that if either of them passes away, becomes totally and permanently disabled or suffers critical illness, they will exit the business and the departing principal (or their spouse) will receive a lump sum payment of $1.25 million (plus indexation), to be funded by insurance.

The agreement also states that the remaining principal can exercise their put option to purchase the departing principal's share of the business for no cost.

Marie and Janice cross-own Term Life, TPD and critical illness cover on each other's life.

In January 2019, Janice passed away. As per the buy/sell agreement, Marie exercised her put option and forced Janice's husband to relinquish Janice's share of the business for no consideration. However, the intention was that Janice's husband should receive the death benefit from the Term Life insurance policy. However, because Marie owned the policy on Janice's life, she also received the insurance proceeds.

Marie now owns the entire business and also received the insurance proceeds.

WHAT IS THAT TAX TREATMENT OF HOLDING INSURANCE FOR BUY/SELL PURPOSES?

Where insurance is held for a buy/sell purpose, the premiums will not be tax-deductible except if the insurance is held within superannuation.

Furthermore, if an insurance benefit is received, it will not be included in the assessable income of the recipient. However, there may be capital gains tax (CGT) payable on the benefit or superannuation lump sum tax (if held inside superannuation).

Table 1 summarises the CGT treatment of insurance benefits when they are owned outside super, and have been held for the purposes of meeting a buy/sell agreement.

Strategies to transfer business ownership can be complex and the needs of each business and its owners will be different. Buy/sell arrangements can be structured in many different ways.

It is important that clients seek advice from a solicitor, accountant and financial planner to ensure the rights and obligations contained in the buy/sell agreement reflects the wishes of all parties.

Crissy De Manuele, Senior Manager – Product Technical, Life Insurance, BT.

QUESTIONS

To answer the following questions, go to the Learn tab at moneyandlife.com.au/professionals

1 Which of the following statements about put and call options is correct?

a. With put and call options, a departing principal (or their estate) must in all cases sell their interest in the business if a trigger event occurs.
b. Put and call options provide flexibility because if both parties choose to not go ahead with the conditions in the agreement, they don't have to.
c. A call option means the departing principal (or their estate) can sell their share of the business to the remaining principals.
d. Under a put option, the remaining principals of the business (or other interested parties) can purchase the departing principal's interest in the business.

2 Where insurance is taken out to cover business owners for the purpose of meeting a buy/sell agreement:

a. It must be owned by the company.
b. It must be owned by each owner or partner (of a partnership) on their own life.
c. It can be self-owned, cross-owned, owned by a company or owned within a trust.
d. It must be owned within a trust.

3 It is generally a good idea to revalue a business or a partnership:

a. Every year or when circumstances change.
b. Only when a new owner or partner joins the business.
c. Only when one of the owners or partners leaves the business.
d. Only when the business or partnership is set up initially.

4 Holding insurance within superannuation for business succession planning purposes:

a. Allows the business owners to be insured for Term Life, TPD and trauma cover.
b. Is the most tax-effective way to hold insurance and receive insurance payouts.
c. Reduces complexity.
d. May increase complexity, due to limits on contributions, the types of cover which are allowed to be held in super, and restrictions on beneficiaries.

5 If a TPD or trauma policy is self-owned and it is held for business succession purposes:

a. The premiums will not be tax-deductible, the insurance benefit (if paid) will not have to be included in assessable income, and CGT will not be payable on the benefit.
b. The premiums will be tax-deductible.
c. There will be CGT payable on the benefit, if it is paid.
d. The benefit paid must be included in the recipient's assessable income in the year they receive the payment.

+ FOR MORE CPD ACCREDITED ARTICLES, CLICK ON THE LEARN TAB AT MONEYANDLIFE.COM.AU/PROFESSIONALS

LEARN

LEARNING TO PRODUCE *a financial plan*

Dr Michelle Cull examines student perceptions of integrating knowledge and skills when producing a financial plan.

One of the papers in Volume 5, Issue 1 of the *Financial Planning Research Journal*, authored by Dr Michelle Cull of Western Sydney University, concerns a study which investigated the perceptions of 649 demographically diverse undergraduate students regarding the difficulty of producing a full Statement of Advice (SoA) for an assessment task in a financial planning unit.

A duty of care and skill is inherent in the task, which required the application of knowledge of a broad range of financial planning topic areas to develop, recommend and justify strategies to meet the goals of a fictional client, while also considering risk tolerance, personal preferences and family circumstances.

Tertiary education can play an essential role in ensuring that financial planners are professionally equipped to develop strategies and solutions that holistically address a client's circumstances. This study examined the impact of different demographic backgrounds (age, gender, home country, language, work experience) on student learning of financial planning in producing an SoA.

The results of the study showed statistically significant differences across demographic groups of age, gender, home country, first language and work experience.

The student demographic perceiving the least difficulty was found to consist of males, aged between 31 and 45, from English speaking Australian families, with work experience relevant to financial planning.

Conversely, younger females from non-English speaking countries, and who had no work experience relevant to financial planning, found the most difficulty in integrating knowledge and skills when producing an SoA.

The results support the Dunning-Krueger effect[1] and suggest that educators need to be aware of the potential for younger students and male students to be overconfident, and for female students to be less confident, resulting in students misjudging their own capabilities.

The results also highlighted the importance of cultural context and the linguistic framework of financial planning in learning how to produce an SoA. This may be an equally relevant consideration for financial planning professionals and their clients who may come from culturally different backgrounds.

+

> *Such suggestions support the idea of bringing the profession to the classroom.*

The study's findings suggest that financial planning programs offered by higher education institutions need to be designed to promote and assess deep learning through a cohesive curriculum, practical modelling and work experience opportunities, which also provide students with a greater awareness of the cultural and social realities relevant to producing a financial plan.

Such suggestions support the idea of bringing the profession to the classroom. This may be particularly beneficial for students with no relevant work experience, as well as students from non-English speaking and non-Australian backgrounds who perceive more difficulty in preparing a financial plan due to the lack of context and 'real-life' experience.

Future research should examine the relationship between student perceptions of learning to produce an SoA and student performance.

With Government legislation now requiring planners to have a bachelor degree or higher, financial planning education plays a crucial role in developing future financial advice professionals who have the "cognitive and creative skills to exercise critical thinking and judgement in identifying and solving problems with intellectual independence" (AQF Council 2013, p.48)[2].

Dr Michelle Cull is Director of Academic Program (Accounting and Financial Planning) at Western Sydney University.

This study was published in the Financial Planning Research Journal (Vol 5, Issue 1, 2019). To read the study in full, visit: fpa.com.au/journal

REFERENCES

1. Kruger, J. and Dunning, D. (1999) Unskilled and unaware of it: How difficulties in recognizing one's own incompetence lead to inflated self-assessment. Journal of Personality and Social Psychology, 77 (6), pp.1121-1134.
2. Australian Qualifications Framework (AQF) Council (2013) Australian Qualifications Framework Second Edition January 2013, South Australia.

FPA CHAPTER DIRECTORY

NSW

SYDNEY
Jade Khao CFP®
Chairperson
T: 0488 889 138
E: jadekhao@gmail.com

MID NORTH COAST
Julie Berry CFP®
Chairperson
T: (02) 6584 5655
E: jberry@berryfs.com.au

NEWCASTLE
Mark Alexander CFP®
Chairperson
T: (02) 4923 4000
E: mark.a@crosbiewealth.com.au

NEW ENGLAND
David Newberry AFP®
Chairperson
T: (02) 6766 9373
E: david@newberry.com.au

RIVERINA
Graham Cotter CFP®
Chairperson
T: 0408 011 322
E: graham.cotter
@stateplus.com.au

WESTERN DIVISION
Peter Roan CFP®
Chairperson
T: (02) 6361 8100
E: peter@roanfinancial.com

WOLLONGONG
Mark Lockhart AFP®
Chairperson
T: (02) 4244 0624
E: mark@jamfinancial.com.au

ACT

Lisa Weissel CFP®
Chairperson
T: (02) 6241 4411
E: lisa.weissel@miqprivate.com.au

Victoria

MELBOURNE
Julian Place CFP®
Chairperson
T: 0418 111 224
E: julian_place@amp.com.au

ALBURY WODONGA
Wayne Barber CFP®
Chairperson
T: (02) 6024 1244
E: wayne@mws.net.au

BALLARAT
Paul Bilson CFP®
Chairperson
T: (03) 5332 3344
E: paul@wnfp.com.au

BENDIGO
Gary Jones AFP®
Chairperson
T: (03) 5441 8043
E: garyjones@
platinumwealthbendigo.com.au

GEELONG
Lesley Duncan CFP®
Chairperson
T: (03) 5225 5900
E: lesley@planwellgroup.com.au

GIPPSLAND
Rodney Lavin CFP®
Chairperson
T: (03) 5176 0618
E: rodneylavin@bigpond.com

GOULBURN VALLEY
John Foster CFP®
Chairperson
T: (03) 5821 4711
E: john.foster@bridges.com.au

SOUTH EAST MELBOURNE
Scott Brouwer CFP®
Chairperson
T: 0447 538 216
E: scottb@prosperum.com.au

SUNRAYSIA
Stephen Wait CFP®
Chairperson
T: (03) 5022 8118
E: stephenwait@
thefarmprotectors.com.au

Queensland

BRISBANE
Duncan Forbes CFP®
Chairperson
T: (07) 3031 1610
E: duncan.forbes@sfg.com.au

CAIRNS
Kris Robertson AFP®
Chairperson
T: 0439 724 905
E: kris.robertson@bdo.com.au

FAR NORTH COAST NSW
Shane Hayes CFP®
Chairperson
T: 0411 264 002
E: shane@
agedcarearchitects.com.au

GOLD COAST
Kearsten James CFP®
Chairperson
T: (07) 5531 6295
E: kearsten@cwealth.com.au

MACKAY
Brendan Hughes AFP®
Chairperson
T: 0439 781 190
E: brendan_hughes_83@
hotmail.com

SUNSHINE COAST
Natalie Martin-Booker CFP®
Chairperson
T: (07) 5413 9264
E: natalie@
natalie@wealthmed.com.au

TOOWOOMBA/DARLING DOWNS
Naomi Alletson AFP®
Chairperson
T: (07) 4638 5011
E: nalletson@achieveitfp.com.au

TOWNSVILLE
Gavin Runde CFP®
Chairperson
T: (07) 4760 5900
E: gavin@runde.com.au

WIDE BAY
Louise Jealous-Bennett AFP®
Chairperson
T: (07) 4153 5212
E: louise@c2g.com.au

South Australia

Andrew Harris CFP®
Chairperson
T: (08) 8373 1711
E: andrew.harris@
minerdsbell.com.au

Northern Territory

Susie Erratt CFP®
Chairperson
T: 0411 331 870
E: admin@advfps.com.au

Western Australia

Fran Hughes CFP®
Chairperson
T: 0418 713 582
E: fran@intuitivemoney.com.au

Tasmania

Todd Kennedy CFP®
Chairperson
T: 1300 651 600
E: todd.kennedy@mystate.com.au

MEMBER SERVICES
1300 337 301
Phone: 02 9220 4500
Email: fpa@fpa.com.au
fpa.com.au

FPA Board

Chair - Marisa Broome CFP® (NSW)

Directors

Alison Henderson CFP® (NSW)
David Sharpe CFP® (WA)
Delma Newton CFP® (QLD)
Jane Bowd (NSW)
Marisa Broome CFP® (NSW)
Michelle Tate-Lovery CFP® (VIC)
Paul Ruiz (NSW)

Committees

Governance and Remuneration Committee
Chair: Marisa Broome CFP®
Members: Jane Bowd and David Sharpe CFP®

Audit and Risk Management Committee
Chair: Paul Ruiz
Members: Delma Newton CFP® and Jane Bowd

Policy and Regulations Committee
Chair: Alison Henderson CFP®

Professional Standards and Conduct Committee
Chair: David Sharpe CFP®

Professional Designations Committee
Chair: Marisa Broome CFP®

Regional Chapter Committee
Chair: Delma Newton CFP®

Congress Committee
Chair: Michelle Tate-Lovery CFP®

VISITING 33 LOCATIONS

WE'RE HERE TO SUPPORT YOU

With so much change, challenge and opportunity facing our profession, this is your chance to connect with your FPA professional community and discover how we are supporting you.

This complimentary three-hour event will earn you two CPD hours including 0.75 FASEA ethics CPD area hours – open to FPA members and non-members.

Register at fpa.com.au/roadshow

FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

2019 FPA NATIONAL ROADSHOW
APRIL – JUNE 2019

QLD

Cairns
Friday 3 May

Sunshine Coast
Monday 20 May

Gold Coast
Tuesday 21 May

Brisbane
Wednesday 22 May

Toowoomba
Thursday 23 May

Townsville
Wednesday 12 June

Mackay
Thursday 13 June

Wide Bay
Friday 14 June

NSW

Port Macquarie
Wednesday 10 April

New England
Wednesday 10 April

Coffs Harbour
Thursday 11 April

Dubbo
Thursday 11 April

Orange
Friday 12 April

Sydney
Tuesday 14 May

Far North Coast
Friday 17 May

Newcastle
Thursday 30 May

Wollongong
Friday 31 May

Riverina
Wednesday 12 June

VIC

Geelong
Monday 13 May

South East Melbourne
Monday 13 May

Ballarat
Tuesday 14 May

Gippsland
Tuesday 14 May

Bendigo
Wednesday 15 May

Sunraysia
Tuesday 21 May

Melbourne
Wednesday 29 May

Albury/Wodonga
Thursday 13 June

Goulburn Valley
Friday 14 June

ACT

Canberra
Friday 31 May

NT

Darwin
Friday 10 May

SA

Adelaide
Wednesday 8 May

TAS

Hobart
Thursday 2 May

Launceston*
Thursday 2 May

WA

Perth
Tuesday 7 May

* Live streamed event

In partnership with challenger