AUGUST / SEPTEMBER 2021
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The magazine for FINANCIAL PLANNING PROFESSIONALS

MONEY & LIFE

Wellbeing for all

DAVID LIDDIARD OAM AND SECURING THE WELLBEING OF INDIGENOUS AUSTRALIANS

BUILDING RESILIENCE
HOW TO STRENGTHEN YOUR PROFESSIONAL RESILIENCE

IMPACT INVESTING
INVESTING IN SOLUTIONS THAT MAKE A LASTING DIFFERENCE

CONTRIBUTION CAPS
WHAT THESE CHANGES MEAN FOR CLIENTS

FPA
FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

AUGUST / SEPTEMBER 2021

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FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

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Level 4, 75 Castlereagh St, Sydney NSW 2000

T 02 9220 4500 | **F** 02 9220 4580 | **E** fpa@fpa.com.au

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

EDITORIAL TEAM
Jayson Forrest, Miriam DeLacy
editor@paperandspark.com.au

CIRCULATION AS OF
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PUBLISHER
Zeina Khodr
M +61 414 375 371
E zeina@paperandspark.com.au

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

Paper + Spark is the custom publisher of Money & Life (www.moneyandlife.com.au) for the Financial Planning Association of Australia (FPA).

INVESTING IN THE FUTURE OF OUR PROFESSION

> This year, the FPA has made changes to our membership structure to adapt to the future needs of our profession and better support students.

These changes are part of an exciting program of wider improvements rolling out over the next year.

SUPPORTING NEXT GEN FINANCIAL PLANNERS

We understand the challenges faced by our profession in attracting new talent. There is also an important need to support graduates in the early years as they seek to build strong networks, understand the job market, access Professional Year resources and develop their technical skills.

To meet these needs, we are investing in the talent of the future by introducing a new graduate level of FPA membership from July 2021 to FPA Student members who have recently completed their degree. This allows them to upgrade and access their first year of membership as an FPA Allied Professional at the special rate of $95.

SCHOLARSHIPS FOR WOMEN

Further investment in the future of our profession includes the FPA's roll out of the Government's $1.5 million Women in Finance and Economics Scholarship Program during the second half of 2021. These scholarships will encourage women to enter, re-enter and achieve leadership roles across financial planning and broader financial services.

CLOSING THE FPA PROFESSIONAL PARTNER PROGRAM

Over the last 10 years, the FPA has had a productive history working with financial planning licensees. During this time, financial planning has undergone an unprecedented level of transformation, and so have the needs of our members. As such, the decision has been made to close the FPA Professional Partner Program as of 30 June 2021, while continuing to support licensees in key areas such as CPD.

YOUR PROFESSIONAL DEVELOPMENT

The FPA has launched our Masterclass series that will run virtually from now until April 2022 and we are bringing back our highly valued face-to-face FPA Professionals Congress, which will be held in Sydney in November. Register online at the FPA website to take part in these professional development opportunities.

TOGETHER WE'RE STRONGER

I want to say a big thank you for your continued support as a member of the FPA. Together, we are leading the way and championing for a sustainable future for our profession – one that meets the growing need for financial advice in Australia.

Please enjoy this edition of your member magazine, covering the importance of nurturing your health and wellbeing.

Dante De Gori CFP®
Chief Executive Officer

Follow Dante on Twitter
@ddegori10

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IN YOUR CLIENTS' MOMENTS OF NEED, WE'RE HERE.

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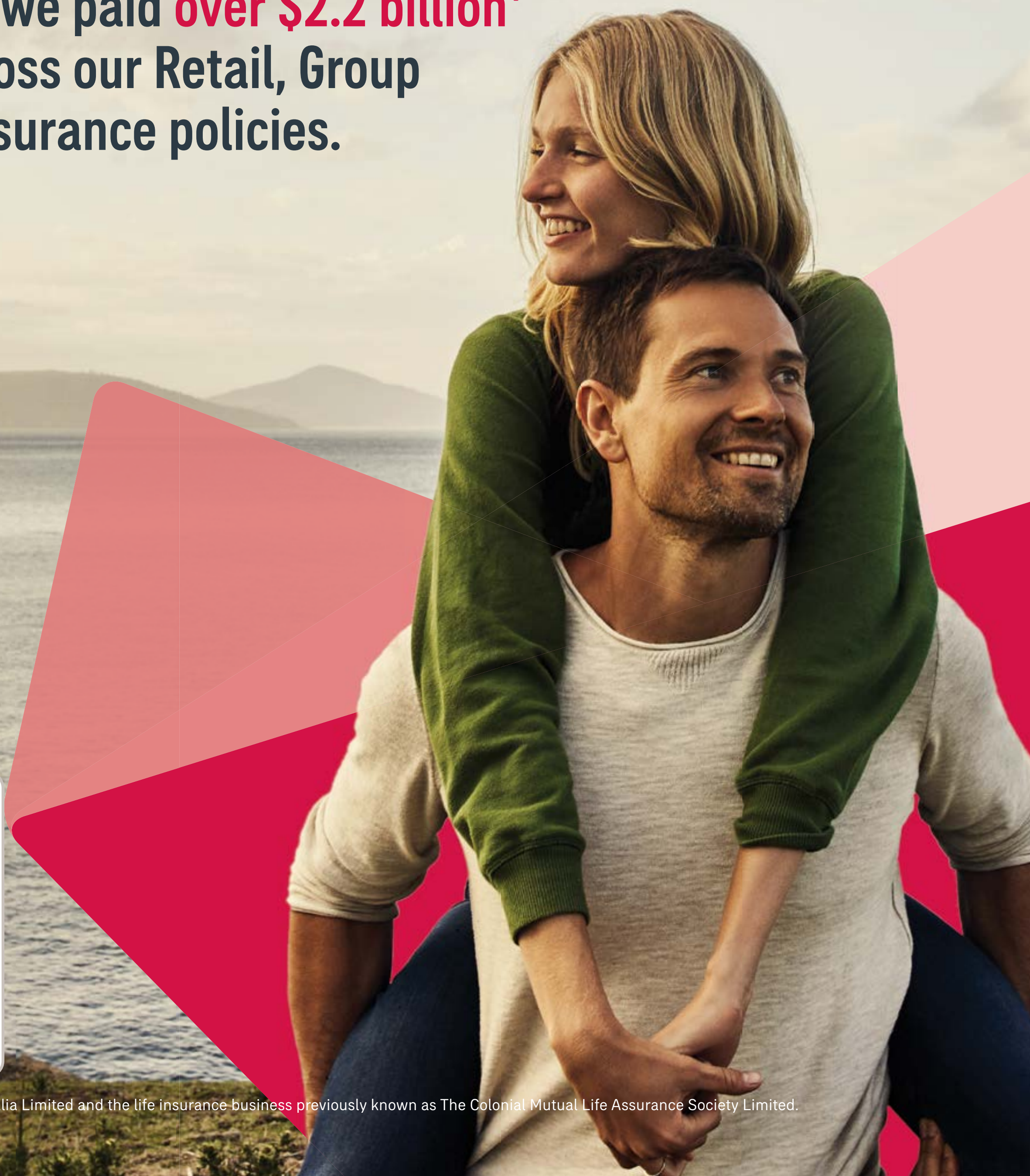

SCAN HERE TO FIND OUT MORE

*Includes payments made by AIA Australia Limited and the life insurance business previously known as The Colonial Mutual Life Assurance Society Limited.

REDUCING REGULATORY COMPLEXITY

In an important step towards consolidation of regulatory oversight and reduced complexity for financial planners, the Single Disciplinary Body (SDB) legislation has been entered into Federal Parliament. The Government's Financial Sector Reform – Better Advice Bill 2021 was introduced in Parliament on 25 June. The aim of this legislation package is to improve the accountability and transparency of the financial services sector.

Once passed into law, this package of measures will see a number of recommendations from the Hayne Royal Commission implemented, many of which are likely to be a welcome change to the compliance framework for our profession. As well as the proposed SDB model and transfer of responsibilities from FASEA to ASIC and the Treasury, the legislation also introduces a staged transition to individual licensing of financial planners.

If this part of the bill passes unchanged, we can expect the registration of financial planners to remain the responsibility of their AFSL for one further year from 1 January 2022. When the financial adviser register is transferred from ASIC to the ATO in 2023, each financial planner will become individually responsible for their own registration. This approach is aligned with a key recommendation from our 2020 Policy Platform document and represents a strong step in the right direction for professionalism in financial planning.

One area of the bill where the FPA will continue to press for changes is the proposed reform to the Tax Practitioners Board (TPB). Under the current draft of the bill, the TPB still has the responsibility for the Corporate Authorised Representative (CARs) and AFSL registrations so that compliance with TPB regulations is still required. This does not meet the Government's stated intention of creating a single set of professional standards for financial planners and a single regulatory body for oversight and discipline.

"The FPA will continue to advocate for reform that reduces duplication and the rising costs facing financial planners," said FPA CEO Dante De Gori CFP®. "This is a major reform that has already recognised the need to reduce regulatory costs with the winding up of FASEA and the removal of the redundant registration with the TPB. Further changes are needed to ensure that a duplicate set of regulation and the unnecessary red tape this causes is removed in the profession which will have positive flow-on effects for the affordability of advice."

In addition to these policy reforms in the pipeline, there are a number of changes that came into effect from 1 July, including the new regime for renewals and fee disclosure. Plus there are indexation changes across the board to superannuation caps and thresholds for financial planning practices to administer and consider in their calculations and advice recommendations.

Looking forward to our agenda for the next six months, the FPA Policy team is working closely with the Insurance Council of Australia on professional indemnity policy standards for financial planners and is also consulting on anti-money laudering and counter terrorism finance legislation that's currently in draft. Our submission to the Attorney General's department on the National Power of Attorney register is also one of our works in progress.

While the Australian Law Reform Commission review of the Corporations Act is yet to get underway, we have started our engagement on this. There are a number of recommendations from the 2020 Policy Platform that are intertwined with the scope of this review, presenting us with a great opportunity to advocate for measures we believe will support greater access to financial advice and a more sustainable operating model for our profession.

To join the discussion about the Government's Financial Sector Reform – Better Advice Bill, visit: fpa.com.au/community

FPA MASTERCLASS SERIES JOURNEY OF ADVICE

Bringing financial planners the best opportunities in professional development is an important priority for the FPA. To deliver a comprehensive program in a format suited to busy professionals, we've created the new FPA Masterclass series: Journey of Advice which will run from July 2021 to April 2022.

There will be 18 virtual live sessions available across the following five streams:

1. Framework for managing ethical challenges;
2. Winning new clients;
3. Providing a world class client experience;
4. Becoming a well-oiled machine; and
5. Wrestling with ethical dilemmas.

Participants can choose to attend the 1.5 hour live sessions or access recordings online. They can also sign up for the whole series at a discount, or register for individual classes to suit their professional development needs.

There are up to 27 CPD hours across the whole program on professionalism, client care and practice, including up to 9 ethics hours.

For more on the Masterclass series and to register for a package or individual sessions visit fpa.com.au/education/masterclass-series/

FIRST GRADUATES OF CFP®/ MASTER OF FINANCIAL PLANNING DEGREE

The FPA congratulates **Steven Liu CFP®** and **Anna Wells CFP®** who are the first two tertiary students to graduate by combining a Master of Financial Planning degree with the CFP® Certification Program.

The integrated program allows students undertaking the Master of Financial Planning course to receive recognised prior learning for CFP® units 1-4 and complete the CFP® Certification Unit (CFP® C) as an elective, as part of the program.

By integrating these education courses, students can graduate with a Masters degree, as well as satisfying the education component of the CFP® designation as part of their coursework. Once an individual's work experience requirements are met, graduates will qualify as a CFP® professional.

This unique study pathway allows financial planning professionals to conveniently combine all their study requirements into a single course, providing them with with a significant saving in both time and cost.

With the FASEA education standards requiring all financial planners to compete an approved tertiary degree, attaining both CFP® Certification and a Master in Financial Panning degree can help practitioners demonstrate and satisfy their commitment to the highest standards of education and professionalism.

The integrated CFP® Certification and Master of Financial Planning degree program is a partnership between the FPA and five education providers, including: Griffith University, Swinburne University of Technology, Deakin Business School, RMIT University and Kaplan Professional.

For more information about the integrated CFP® Certification Program and Master of Financial Planning degree, go to: fpa.com.au/cfp

The FPA congratulates the following members who have been admitted as

CERTIFIED FINANCIAL PLANNER® PROFESSIONALS

NSW

Karl Brooke CFP®
BD Financial Planning

Kristina Coffey CFP®
Hesta Super

Shane Gourley CFP®
Momentum Financial Planning

Bhanu Lokubalasuriya CFP®
MWL Financial Group

Steven Liu CFP®
Commonwealth Bank Australia

Barton Lynch CFP®
Shaw and Partners

Stephan Marianne CFP®
Iconic Wealth Advisors

Craig McGowen CFP®
WealthPartners Financial Solutions

Mona Moorjani CFP®
Aware Super

Zachary Morden-Jones CFP®
AKW

Michael Pavani CFP®
Jacaranda Financial Planning

Renee Souster CFP®
Playfair Tan

Minyu Wang CFP®
Macquarie Equities

Jonathan Wilkes CFP®
Cornerstone Financial Solutions

Jenny Wong CFP®
Minchin Moore Private Wealth Advisers

Panbo Ye CFP®
Planning Ideas

QLD

Joanne Dale CFP®
Tupicoffs

James Horsley CFP®
Boston Private Wealth

Damien Kirby CFP®
Invest4life Financial Planning

Emma Pittman CFP®
Brown & Bird Financial Planning

David Robertson CFP®
Aeran

Rebecca Scarrabelotti CFP®
Tupicoffs

Debra Smith CFP®
Solace Financial

Justin Walch CFP®
ANZ Financial Planning

Anna Wells CFP®
Australia and New Zealand Banking Group

SA

Donald Sampson CFP®
I2 Wealth

VIC

Fatuma Akalo CFP®
Choice Financial Advisors

Diana Antonious CFP®
Qantas Superannuation

Georgina Au-Nheu CFP®
Link Advice

Rebecca Cameron CFP®
ARA Consultants

Jessica Cooke CFP®
Story Wealth Management

Kathleen Dean CFP®
Hewison Private Wealth

Karl Hunting CFP®
FMD Financial

Thi Tran CFP®
Silver Private Wealth

Christopher Simm CFP®
Muirfield Financial Services

Michael Watt CFP®
Macquarie Equities

WA

Andrew Colvin CFP®
Shakespeare Financial Services

Lyndsay Rushforth CFP®
Monument Advisory

Paul Turner CFP®
Wealthwise

YOU SAY / THEY SAY

Call it ethical, responsible or sustainable – investing money based on values and concerns about the future of people and planet is catching on. Both financial planners and investors are seizing this opportunity but are sometimes challenged in finding the right options to match their needs.

YOU SAY

Supporting clients to invest according to their ethical preferences and priorities takes a thorough approach. For many financial planners, this is becoming an essential part of their advice process, as more and more clients are showing interest in sustainable outcomes from their financial plan.

How interested are clients in ethical/ESG investing?

CG "This has been a growing space for investors over the last few years, partly due to investors taking more interest in this type of investment philosophy and partly due to these types of investments performing well in recent times.

We find that when we are able to link clients' emotional and philosophical goals to their investments, they take more interest, as it becomes less of a 'chore' and more of a fulfilling task.

The additional coverage in various media outlets, such as this one, also helps to raise the interest levels, as more people are reading about how they can incorporate their values into their investment portfolios.

ST "Ten years ago, a client would ask me about ethical investing once in a blue moon, now it seems to happen at least once every couple of months. I see a trend, regardless of age, between people who have a genuine interest in renewable energy and reducing their carbon footprint, to those people who are also interested in ethical investing. It's catching on quickly and I think we will see more ESG options in the future because of it.

SE "Some clients express an interest but when you unpack what this type of investing is about, they are not so keen. Mostly, people want to dictate their list of likes and dislikes, which may differ from the fund managers. The filters are not set by the client, they are set by the responsible entity. As a consequence, when clients do their own due diligence, they are not so keen.

How are you engaging and communicating with your clients about ethical investing?

CG "For us, this is a core part of our 'get to know' process when meeting a new client.

Often we will have people contact us via external channels, such as the FPA or the RIAA (Responsible Investment Association Australasia), seeking specific advice and this drives our initial conversations.

For other clients, it can be as simple as asking them a question about their investment goals and preferences, in order to try and extract whether this type of investment philosophy might be suitable for them.

We have a range of tools and resources we use with clients when it comes to this type of thing – it could be cashflow modelling, investment reports or research provided by investment managers. We also like to use examples of how our clients are making a difference with their investments by showing them exactly what types of companies their funds are supporting.

ST "Earlier this year, we launched an online Client Community, full of content that we publish regularly to educate and support our clients. Articles range from current social trends, helping people overcome certain challenges, and more specific financial topics that our clients want to know more about, such as ethical investing or what is going on with the property market.

SE "I use a white board to graphically show how the filtering of manager acceptable investments is done. It is actually a good way to explain how managed funds and ETFs work overall.

What type of ethical themes/strategies do you like and why?

CG "When it comes to all types of investments, our advice is primarily influenced by academic evidence and for decades, this has taught us that trying to outsmart the market does not work. As such, we always start with diversification as our primary investment objective and we work back from there.

For ESG and ethical investment strategies, we prefer to use highly diversified portfolios which are structured in a way that is supported by decades of research and Nobel Prize winning investment principals. We then apply an 'ethical' overlay

Chris Giaouris CFP®
Partner | Principal Adviser
Chronos Private

Stevie-Jade Turner CFP®
Lead Financial Adviser
Tribeca Financial

Susie Erratt CFP®
Financial Planner
Advanced Financial Planning Solutions

to exclude certain companies that perhaps engage in unscrupulous behaviour, as well as target companies which positively impact the environment via reduced CO_2 emissions.

ST "The 'shades of green' approach to ethical investing is great because an investor can choose what level of ethical investing they are most comfortable with for the increased cost of each ESG investment option. That's because the most responsible investment options are usually the most expensive.

A light green ESG investment option is usually a more cost-effective option because it is built with a 'lighter touch'. For example, the fund manager will most likely 'negatively screen' corporations deemed unacceptable or controversial and exclude them from the investment index.

A medium green ESG and dark green ESG investment option will likely be built by a more active fund manager, using 'positive screening activities', which is usually more expensive because of the level of due diligence required. The difference between medium and dark green ESG investment options will be based on the quality and score of their ESG factors relative to their peers.

No matter the shade of the portfolio, it is important to be aware that it is still possible to invest in a company that hasn't been fully transparent with its activities or has ESG measures that appear more environmentally or socially friendly than they actually are. Sometimes, no matter how hard you try, you can't always know that you are 100 per cent ethically invested.

SE "I don't think that you can substitute your ethics for someone else's. Just because the responsible entity sets parameters and calls it ethical or socially responsible, it doesn't make it so. The individual drives their own ethics and morals. When I have clients who are very determined about their investment preferences, we will use direct equities where they can dictate what is acceptable to them. I think there is a lot of misleading press in this space.

THEY SAY

Protecting human rights and the future of our environment are both important priorities for many investors. But while they seek to avoid companies involved in activities that put people and planet at risk, they can find it hard to match investments to all their goals.

What type of environmentally and socially responsible issues concern you the most when it comes to investing?

- Climate change, gender equity, racial and financial equity.
- High carbon burning industries and vaping companies, due to high use from young children.
- I want to invest in companies that value the environment's sustainability and equally, companies that do not exploit their workers.
- Climate change and our commitment to enacting climate policy; housing costs and affordability for all persons.
- Land and ocean degradation, slavery, and corruption.

How important are environmental and socially responsible considerations to you when it comes to investing?

- Somewhat important. I haven't yet found a way to invest with a good return that is 100 per cent environmentally and socially responsible.
- Very important. From what I understand, the returns from ethical vs traditional investing are on par with one another, so making those ethical decisions has become easier for me personally.
- Low.
- Extremely. I only invest in ethical companies with a solid environmental policy and will not invest or have my money invested (e.g. via super) in non-ethical companies, especially those related to climate concerns, such as mining operations.

Are there any type of investments that you would not invest in?

- Tobacco, coal and mining involving fracking.
- Not at this stage. I believe if there are some shares in my ETFs that go against my beliefs, they still help me reach a point where I can use my dividends and capital gains to give to charities and live a life that supports my social and environmentally responsible values.
- I assess each investment on its merits. It's very rare to find a company that fits your investment mandate perfectly!

REUNITE RESET

2021 PROFESSIONALS CONGRESS

SYDNEY 22–23 NOVEMBER

FPA FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

MARISA BROOME CFP®
Congress Chair

At the time of writing, preparations continue for the return of the FPA Professionals Congress in Sydney this November.

With stay-at-home restrictions continuing to impact many of us, the FPA is here to support its members as needed. While these times are uncertain, the preparations for the 2021 FPA Professional Congress continue in readiness for a two-day event kicking off on Monday 22 November at the International Convention Centre Sydney.

'Reunite Reset' is the theme of this year's Congress, with the two-day format slightly revised to better suit the current environment. It will feature four keynote presentations and a mix of workshop sessions over two days.

According to FPA Congress Chair, Marisa Broome CFP®, after 12 months of remote working and digital interaction, the overwhelming feedback from members from the recent FPA National Roadshows was – 'let's get back together' as soon as it's safe to do so.

"It's time that we 'Reunite' again as a profession and 'Reset' what we are doing for our businesses, our clients and ourselves," Marisa says.

"This year's Congress is an opportunity for FPA members to reconnect again with their peers in a COVID-safe environment."

INSPIRATIONAL AND PRACTICAL CONTENT

The Congress program will feature four keynote presentations and five workshop sessions over two days. The program, which is being built by practitioners for practitioners, will provide delegates with powerful and relevant content, including the latest insights and developments within the profession.

"Although I may be the Congress Chair, much of the hard work of building a content rich program is being done by Kearsten James CFP® LRS® and Julian Place CFP®. They are both FPA Board members, have experience as Chapter Chairs and know what it means to be a successful financial planner," says Marisa.

Both Kearsten and Julian will be using their experience to build sessions that are inspirational and practical. And while the final line-up of speakers and presentations are (at the time of writing) still being locked in, delegates can be assured they will be hearing from the best in the profession, as well as from other high calibre professionals, who will challenge them in the way they work.

"These sessions will put financial planning front and centre – from sharing how and why technology works for them, to adjusting to the changing professional environment, through to focusing on the client experience. The program will be developed from a practitioner's perspective, with a focus on sharing our collective experiences," says Marisa.

A LITTLE DIFFERENT

And while this year's Congress may look a little different from past years, there will still be plenty of opportunities for delegates to network in a COVID-safe environment, including the popular Welcome Reception on the opening day of Congress.

"Our members have told us they have never been busier, so by reducing Congress to a two-day format is more manageable for practitioners, which means spending less time away from the office," Marisa says.

However, with this year's Congress already at a reduced capacity due to COVID, and with over 25 per cent of registrations already sold in the first week, FPA members are encouraged to register as soon as possible. In the unfortunate event that Congress is unable to proceed due to Government lockdown restrictions, all registered delegates will receive a full refund.

By attending this year's FPA Professionals Congress, Marisa is confident that members will not only be inspired by the speakers and presentations, but will also take away with them valuable new business and advice delivery ideas that will make a genuine difference to clients and the way in which practitioners work.

For delegates attending Congress, CPD hours will be available. However, to receive CPD hours, delegates must register into each workshop and attend a minimum of 80 per cent of the workshop.

For more information, go to: fpacongress.com.au

While the 2021 FPA Professionals Congress is scheduled for 22-23 November in Sydney, the FPA continues to closely monitor the COVID-19 situation and the advice of health and Government authorities. This event will be conducted in a COVID-safe environment and subject to Government requirements.

Dear financial planners,

You can help your clients align their listed company investments with their views on ESG.

ACCR works with shareholders and advisers to channel ownership powers toward making companies more responsible, transparent and focused on long term returns.

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MENTAL WEALTH FOR EVERYONE IS WORTH INVESTING IN

The last 18 months have been a tough time for everyone. Dr Jaelea Skehan highlights the importance of addressing financial and work-related stress, and shares tips for helping yourself and others.

In the wake of COVID-19, bushfires and other natural disasters, economic wellbeing has come into focus as a priority for families, businesses and governments. As too has our individual and collective mental health as we manage ongoing changes to the way we work, study, parent, and live. The truth is, our financial wellbeing and our mental wellbeing are inextricably linked.

We know that when people are stressed, anxious and fearful, they can put off effectively managing their finances and planning for their future. But we also know that financial uncertainty and fears about not having enough money can contribute to stress, anxiety and depression.

Financial stress can leave people feeling trapped, overwhelmed and in acute distress. For some people, a change in their finances can also coincide with a job loss or a change in jobs, business stress or business failure, a relationship breakdown, a lawsuit or other stressors that can isolate people from their natural supports.

This can be compounded when the financial stress creates a barrier to seeking help, especially when people feel they can't afford to take time off work or dedicate the financial resources they have to their own mental health.

Financial planners – and others who support people to better manage their finances – play an important role in helping individuals, families and businesses to thrive.

They are also well-placed to identify those who may be distressed and in need of additional support.

> *"The impacts on small businesses can be particularly striking, with research showing that small business owners and workers experience depression, anxiety and stress at levels above the general population."*

STARTING A CONVERSATION

The factors influencing a person's level of distress can be social, personal, financial, or arise from other stressors in their lives.

Recent landmark reports from the Productivity Commission and the Prime Minister's Suicide Prevention Adviser outlined a need to move from a crisis-driven response to mental health and suicide prevention, to an earlier response that engages people where they are, at the point of distress.

Financial planners are not often considered as being on the front line of our mental health and suicide prevention response, but they can play a critical role in helping people manage tough times, plan for the future and bounce back from adversity. Their connection with people experiencing significant change can be critical, as we know that less than 50 per cent of people who need professional support will actively seek it out.

Noticing changes in the people you work with and deciding to start a conversation can be the first step to getting them the help they need. But how do you start the conversation?

- There is no right or wrong way to begin, the main thing is to let the person know what you have noticed and that you want to know if they're okay.
- Give the person an opportunity to talk. Your role is to listen, without jumping in or trying to find solutions for them.
- Helping the person take the next step is important. This can be by identifying who else they feel comfortable telling, encouraging them to make an appointment with their GP, doing a 'mental health check-up' online, or calling a helpline.
- Remember to check back in with the person, either the next day or within a few days, and get some support for yourself if you need it.

MENTAL HEALTH AT WORK

There is a strong reciprocal relationship between work and mental health. On the one hand, there can be a positive influence from work on people's health and wellbeing, providing financial resources, a sense of purpose and identity and facilitating social connections. However, the workplace can also have a negative impact on our physical and psychological wellbeing.

Some years ago, a report by Beyond Blue and PricewaterhouseCoopers revealed that unsupported mental ill-health in the workplace can have significant and often unforeseen costs to the national economy from

DR JAELEA SKEHAN

Director

Everymind

absenteeism and presenteeism alike – $4.7 billion per year and $6.1 billion per year respectively. In fact, there is a return on investment of $2.30 for every dollar spent in effective workplace mental health strategies.

The impacts on small businesses can be particularly striking, with research showing that small business owners and workers experience depression, anxiety and stress at levels above the general population. These stresses often come from financial pressures, high work demands and long work hours, along with market variability and disruption, and a tendency not to prioritise self-care over the business bottom line – including many who go to work even when they are sick, stressed and tired.

Financial planners can be both a support to small business and often operate as a small business themselves, so they understand the struggle to take time off during a climate of uncertainty, even when tired and unwell. Industry changes have certainly increased stress and the potential for anxiety, depression and burnout among the profession, so there needs to be a focus on what you can do for clients as well as what you need to do for yourself, and your colleagues.

It can be easy for us to take our mental health for granted. Just as we need to make regular deposits to see a bank balance grow, we need to pay regular attention to our wellbeing in order to flourish. Here are some tips that can help:

- Develop workplace relationships: Working alone can be isolating, so having friendly interactions throughout the day will help you feel more connected. You can build social relationships with people at work, or with others in similar work to you. Finding someone who can relate to your situation can be helpful.
- Celebrate small wins: acknowledge yourself when you do something good. You might have solved an issue for a client or finished a complex job – whatever it is, find a small way to celebrate.
- Improve your physical work environment: Introducing a few small things that make your work environment more pleasant can improve mood and focus, making you more productive, too. If you work in an office environment, take breaks from long periods of sitting.
- Don't push yourself: Try not to set yourself unrealistic deadlines or agree to take on more than you can reasonably manage. Take breaks and finish work at the agreed time.
- Work-life boundaries: Try to keep work within certain hours and make time for family and activities you enjoy. Balance in life is important, so prioritising time away from work can make a big difference to how you think and feel.
- Respond quickly to issues: If a work-related issue arises, address and resolve it as soon as possible before things snowball and become a bigger problem.
- Focus on yourself: Take small steps to improve how you think and feel. This includes getting enough sleep and rest, getting exercise and eating well and learning to manage stress.
- Increase your awareness of mental health: Read up on mental health, complete some training, or watch informational videos.
- Reach out for help when you need it: Everyone needs support occasionally. Talking to a family member, a friend, another small business owner or your doctor can be a good place to start.

SOME USEFUL RESOURCES

- FPA Wellbeing provides members with a free and confidential support program to help them with their mental health and wellbeing. Go to: *fpa.com.au/membership/fpa-wellbeing*
- Ahead for Business is a tailored and interactive digital hub that supports the wellbeing and mental health of small business owners, and those who support them. They provide tip sheets, videos and a confidential online mental health check-up at: *aheadforbusiness.org.au*
- The Mentally Healthy Workplace Alliance provide practical guidance on creating mentally healthy workplaces, with links to available programs and resources at: *mentallyhealthyworkplacealliance.org.au*
- Get support: If you need immediate support, call Lifeline on 13 11 14 or beyondblue on 1300 22 4636. Find out about other resources, training and supports at: *headtohealth.gov.au or www.lifeinmind.org.au*

Dr Jaelea Skehan OAM is Director of Everymind, a national institute dedicated to the prevention of mental ill-health and suicide. She is a registered psychologist and holds a conjoint appointment with the College of Health, Medicine and Wellbeing at the University of Newcastle.

CUT THE RED TAPE

Julie Matheson CFP® LRS® is enjoying her fourth term on the FPA Board, where she has the health and wellbeing of practitioner members firmly on her mind.

Having already served an impressive three terms on the FPA Board (2006-2016), Julie Matheson CFP® LRS® is probably already well-known to most FPA members. But what members perhaps don't know about Julie is she is a founding member of the FPA and in 1992, became one of the first registered CFP® practitioners in Australia.

Having now been elected to the FPA Board on four occasions, one thing Julie doesn't take for granted is the trust her peers have placed in her. To serve on the Board is a position she is incredibly privileged to hold and something she doesn't take lightly.

But it still beggars the question, why seek re-election to the FPA Board for a fourth term?

In answering the question, Julie recalls an article she read last year, where 16 financial planners were allegedly reported as having committed suicide. It was a figure that shocked and profoundly affected the Perth-based practitioner.

> *"The health and wellbeing of planners is absolutely essential, and that's where FPA Wellbeing can help. It has been a great initiative, providing FPA members with a free and confidential support program ... as well as a range of resources, to help them manage their stress and mental wellbeing."*

"After having carried out my duties on the Board for 10 years, I felt that I had done enough and had served my profession. But after learning about the incidence of suicide within the profession, I couldn't sit back any longer," she says.

"I knew I could make a difference and contribute more to my profession, so I sought nomination to the Board and in October 2020, I was fortunate to be re-elected for my fourth term."

HEALTH AND WELLBEING

The news of those 16 financial planners still haunts Julie. Not surprisingly, the health and wellbeing of practitioners is top-of-mind for her. She openly acknowledges that regulatory and compliance demands are the leading source of stress in the working lives of planners – a view supported by the Australian Financial Advisers' Wellbeing Report 2021 (see page 26), which found poor levels of mental and physical health among financial planners.

In particular, Julie points to the fallout of the Hayne Royal Commission, where licensees have come under considerable pressure to undertake 'look back' requests (or client file requests) of current and former authorised representatives.

"When you lose the support of your licensee and are being subjected to 'look back', that's a lot of stress being placed on many financial planners around the country. The health and wellbeing of planners is absolutely essential, and that's where FPA Wellbeing can help," says Julie. "It has been a great initiative, providing FPA practitioner members with a free and confidential support program, with access to qualified counsellors or psychologists, as well as a range of resources, to help them manage their stress and mental wellbeing."

CUT THE RED TAPE

To know Julie, is knowing you're dealing with a person who doesn't shy away from controversy. She is a hard-working individual who is prepared to roll up her sleeves and take on a fight when needed. And there's no disguising the fact that Julie has had a "gutful" of regulation.

She believes a step in the right direction begins with the Board not supporting any more regulation that doesn't reduce the number of unnecessary laws applying to the provision of advice in Australia. It's a contentious position that Julie doesn't back away from.

"From my last count, there are 60 laws that financial planners must follow when giving just one piece of advice. That's outrageous! And the first law to get rid of is Section 766B of the Corporations Act 2001 because it continues to define 'advice' as being related to product and that's simply not the case," Julie says. "We've already got the Best Interests Duty obligations, so we don't need this law causing more red tape and undermining the profession by linking it to product. Removing this will make a huge difference in reducing regulatory red tape."

Another area of concern for Julie is the number of experienced planners and staff exiting the profession, particularly at a time of increased regulation and consumer demand for financial planning advice.

"This needs to change," says Julie. "Since the introduction of FSR in 2001, financial planners have been subject to significant regulatory change and, as a result, we are seeing many leave the profession. I feel these regulatory and compliance

requirements are disincentivising people from either staying or joining the profession.

"The Government needs to step up now and re-incentivise people to stay or join the profession. It can do this by reducing the onerous regulations and even subsidise the training and education of planners. That would be a real game-changer for the profession."

CHANGING AND ADAPTING

It's hard not to be swept up by Julie's enthusiasm, and while she concedes there are a lot of areas that the FPA Board needs to work on, she remains excited about the future of the profession.

"I love the shift we're seeing in the profession, moving from product advice to financial planning advice. When talking to practitioners, I can see their excitement, because they're actually focused on their clients' goals and objectives, rather than products."

Julie is also excited to see more planners take up their own AFSL and make progress towards self-registration, particularly in the wake of some of the larger institutions exiting the advice space entirely. However, she is mindful that financial planning can be an isolating career, with many practitioners operating in an isolated environment.

"As a member organisation, the FPA is always looking for ways to connect and support our members, and I believe we can always do more. We have FPA Community, where members are active everyday asking questions and providing feedback, and we really encourage this interaction. So, I hope that by listening to our members, the Board will be able to make changes that mean financial planners are better supported and don't fear standing up for what they believe in."

Julie is also bullish about the CFP® designation and is keen to see the number of CFP® practitioners rise from its current number of about 5,500. She believes one of the ways this could be done is to incentivise AFP® practitioner members to complete the CFP® Certification Unit (CFP® C) and become CFP® practitioners, and by doing so, this could potentially result in a significant increase in the number of CFP practitioners working in Australia over the next 5-10 years.

And while that might seem like an optimistic plan, Julie is confident that it's achievable.

"The CFP® designation is such an exciting global brand. When you see financial planners from other countries, they are thrilled to receive the CFP® designation. I believe we can build on that excitement here in Australia, because it's simply wonderful to hold a professional designation that is respected and recognised globally."

SETTING ASIDE TIME

Along with her Board duties, Julie lives and works at a frenetic pace. Not only are her services as a business consultant in demand, she also works with local government – where she has served as an elected local councillor from 2011 to 2019 – and community advocacy groups. It's actually surprising she finds any downtime for herself.

But knowing how important her own mental health and wellbeing is, Julie turns to the occasional camping trip with her partner, Stephen, to destress and reconnect with what's important in life.

JULIE MATHESON
CFP® LRS®

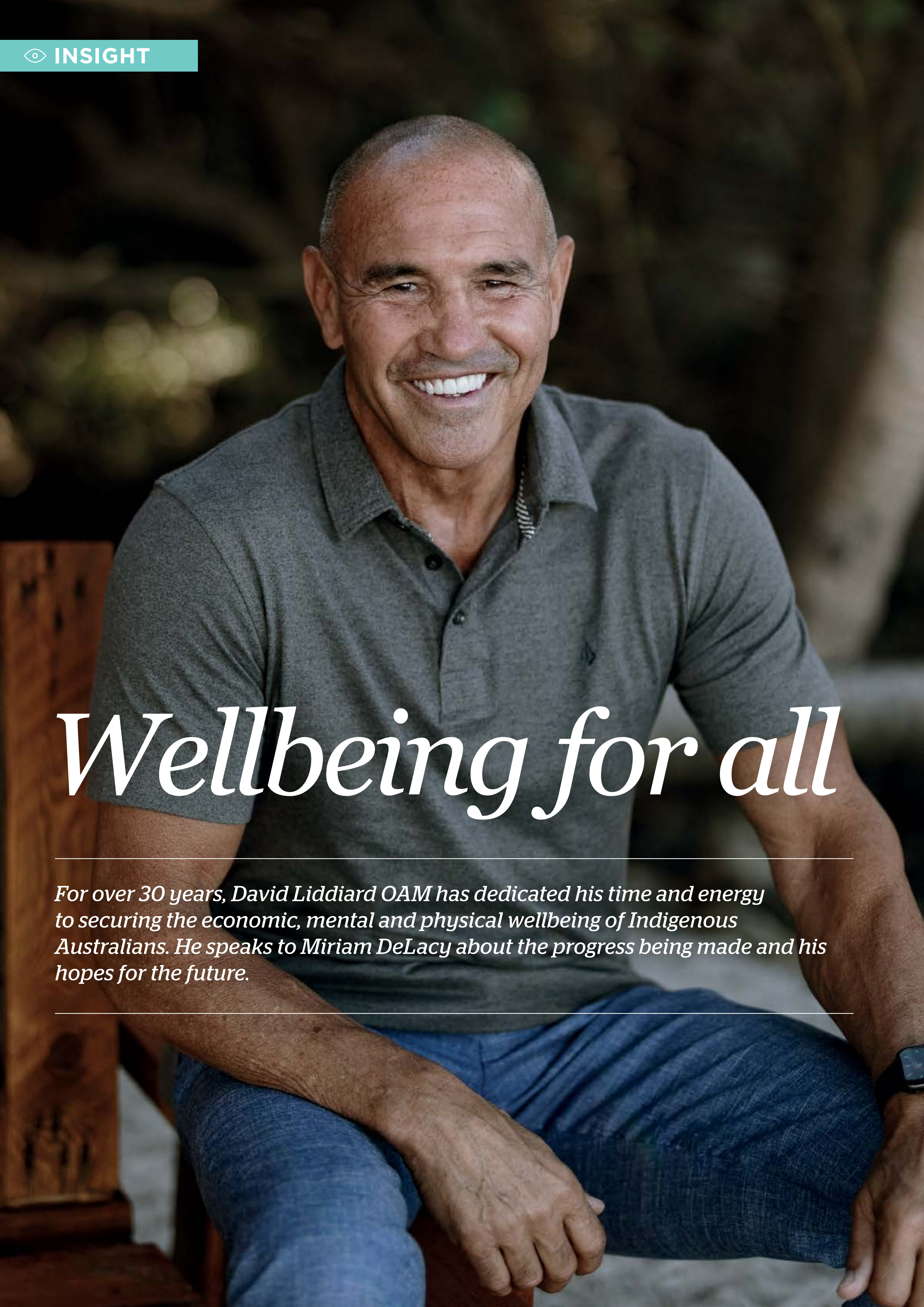
POSITION: CERTIFIED FINANCIAL PLANNER® AND BUSINESS CONSULTANT

YEARS AS A PLANNER: 34 YEARS

ELECTED TO THE BOARD: NOVEMBER 2020

"Stephen and I actually like to go off the grid by four-wheel driving and camping in a Mercedes G300 military ute with a slide on camper. And I'm incredibly fortunate that Stephen is a French chef, so each camping meal we have is dinner theatre," she says. "Camping really does ground me. It allows me to recharge my batteries and re-energise for the big city again."

Actually, Julie's attraction to the great outdoors shouldn't really come as a surprise, after all, you are talking to a past winner of the Port Hedland 'walk-a-thon', where Julie clocked up an impressive 41 kilometres in the Pilbara heat, winning her age group. A terrific achievement, even at age 14!



Wellbeing for all

For over 30 years, David Liddiard OAM has dedicated his time and energy to securing the economic, mental and physical wellbeing of Indigenous Australians. He speaks to Miriam DeLacy about the progress being made and his hopes for the future.

In spite of the restrictions and border closures that have become a part of life in Australia in the last 18 months, David Liddiard has continued to stay in close contact with many Indigenous communities in remote areas as well as regional centres. As Managing Director of the David Liddiard Group, he has been striving to build capacity, wellbeing and security for all Australia's First Peoples since the 1990s. It would take more than a pandemic to keep him, and his network and partners, from moving forward with their many projects and initiatives.

For longstanding fans of Australian rugby league, David's face and name will be very familiar. Perhaps most well-known for his time with the Parramatta Eels, David enjoyed a successful sporting career in the 1980s and 1990s. He also played for Manly and Penrith, and appeared in two grand finals for Parramatta in 1983 and 1984, winning the premiership in the 1983 season, as well as the Daily M Rookie of the Year award.

David – a Ngarabal man from northern NSW – gives his family the credit for the drive and dedication it took to reach these heights on the football field, and for much of what he's achieved since.

"I've always been close to my family and my Mum was the best role model I could have," says David. "She was one of 10 kids and was given colouring books instead of being taught to read. But she wasn't going to let that hold her back. She really pushed me to give my all in everything I do and to take any opportunity that comes my way. I'm really just a bloke who went okay at football and it's thanks to Mum motivating me from the start that I've gone on to do so much after retiring from sport."

OPPORTUNITIES IN SPORT

It was after his time playing for Hull FC in the U.K. that David's journey as an Indigenous advocate and ambassador began in earnest. Knowing how much of a difference sport had made in his own life, he established the National Aboriginal Sporting Chance Academy (NASCA) in 1995. For the thousands of Aboriginal children and youth who took part in NASCA initiatives over the next 20 years, the organisation and David's extensive network of contacts in sport, government, industry and education, provided 'a bridge to a brighter future'.

"These kids need to know that the world is a bigger place than they might be aware of, full of opportunity and support for them to achieve amazing things," says David. "This meant engaging at many different levels – from the international tours we organised for young men and women who are the rising stars of netball and rugby league, to the ARMTour (Athletes as Role Models on Tour) program, which provided our Indigenous youth with positive role models to encourage them to finish school and prepare themselves for a career.

"I accompanied the first ever Indigenous Rugby League Team to the U.K., and the experience inspired me. One special memory was the group of Aboriginal and Torres Strait Islanders for whom we organised a sport and cultural exchange with the United Arab Emirates, sponsored by the U.A.E. Ambassador to Australia. These kids were having lunch with sheikhs in the desert.

"It was important to me that these experiences were genuinely life changing. They are often promised the world and then get handed an atlas. By living these moments and taking their stories back home, they know what it is to be cared for and treated as human beings with so much to offer."

SUPPORT FOR OUR YOUTH

From his own experience of sporting success and living the life that goes with it, David knows that programs like this can inspire individual young people to strive for better – both on their own behalf and for their families and communities, too. But he is also well aware that this type of lifestyle is far beyond the reach of many young Aboriginal Australians who struggle to access a basic education, live in safety with their family, and stay out of the juvenile justice system.

"NASCA was really just the beginning of my efforts to connect our young people with a better life and future," he says. "There are a lot more dots to join up to keep them in school, and give them the resources and support they need to have a great life and career ahead of them," he says.

During the next decade, David's agenda and activities for supporting Indigenous youth expanded significantly, as he became involved in a whole host of initiatives, including the Dare to Lead project. This Australian Government venture involved co-ordination with 5,200 schools Australia-wide with the goal of improving education, employment and health outcomes for Aboriginal and Torres Strait Islander students.

From 2008, David led the Indigenous Corporate Partnerships strategy for Dare to Lead, giving him the opportunity to work with future business partner, Andrea Harms. Together they founded Corporate Connect.AB in 2010 – a profit-for-purpose organisation established to close the gap in Indigenous disadvantage and to increase the economic independence of communities and individuals in remote, regional and urban areas.

In the following decade, the foundations of knowledge, partnerships and practical experience David and Andrea had developed in their respective careers united to guide their appropriate, authentic and sustainable approach to improving life opportunities for Indigenous Australians. While their work aims to foster these opportunities across all age groups, David is quick to acknowledge that supporting younger Aboriginal Australians at this time couldn't be more important. He is one of many Aboriginal leaders devastated to see the figures on Indigenous youth suicide reported in the most recent Close the Gap Campaign report.

"We need to make sure our kids don't lose hope and can grasp that they have a bright future to live for," he says. "This starts with helping them engage more during their school years and supporting them with a Career Plan, as we do through our Dubbo Opportunity Hub (DHUB) initiative, funded by NSW Education. This program supports 1,200 Aboriginal

> *"We need to make sure our kids don't lose hope and can grasp that they have a bright future to live for. This starts with helping them engage more during their school years and preparing them for living independently."*

INSIGHT

ABORIGINAL AND TORRES STRAIT ISLANDER SUICIDE NUMBERS

2X

HIGHER SUICIDE RATES THAN THE AUSTRALIAN POPULATION

1ST

LEADING CAUSE OF DEATH IN CHILDREN FROM 5-17 YEARS IN 2019

5TH

LEADING CAUSE OF DEATH IN 2019 (RANKED 13TH FOR NON-INDIGENOUS)

4X

HIGHER SUICIDE RATES IN YOUNG PEOPLE (15-19 YEARS), THAN NON-INDIGENOUS PEOPLE

SOURCE: *Australian Bureau of Statistics (AMS) 2020, Leading causes of death 2019, Suicide Statistics, ABS, Canberra*

youth with confidence and practical career guidance.

"We've also started the initiative of supporting Aboriginal students with their own laptops, supplied and repurposed from our corporate partners. Those same partners provide work experience and traineeships, connecting these young people with a really strong start to their career.

"Transport NSW has funded a program we deliver to increase safe driving and achieving a driver's licence. Our corporate partners have donated vehicles, so we can help more Aboriginal youth learn to drive and travel independently, which is vital if they're to keep furthering their career and securing employment.

> *"I've had these amazing women and men around me who share my passion for having an impact and achieving better outcomes for our Indigenous youth and communities."*

We have delivered over 2,000 hours of mentored driving practice for 240 youths in five months.

"Access to these resources breaks the cycle of crime that sees so many of our youth land in the juvenile justice system, which can be a dead end for their life goals, confidence and chances of economic freedom."

Based on the early success of the initiative to supply laptops to Aboriginal kids in local schools, David now has his sights set on expanding the program at the national level. With the support he's enjoyed from corporate partners over the years, he has every confidence that all Aboriginal students in Australia will soon have access to the technology resources needed to learn essential workplace skills.

SUSTAINABLE SOLUTIONS

With his appointment to the board of the R U OK? Foundation – an Australian non-profit suicide prevention organisation – in 2016, David became more actively involved in raising awareness of the mental health struggles of Indigenous Australians. He was part of the advisory group that worked on 'Let's talk, we're stronger together', a culturally appropriate R U OK? campaign. The campaign kit includes videos, posters and a conversation guide to encourage community members to help each other open up about their struggles.

While David believes in the importance of community members supporting one another through a mental health crisis, he trusts the work he and his partners are doing to create longer-term, sustainable solutions to critical factors that underpin health and wellbeing for Indigenous Australians.

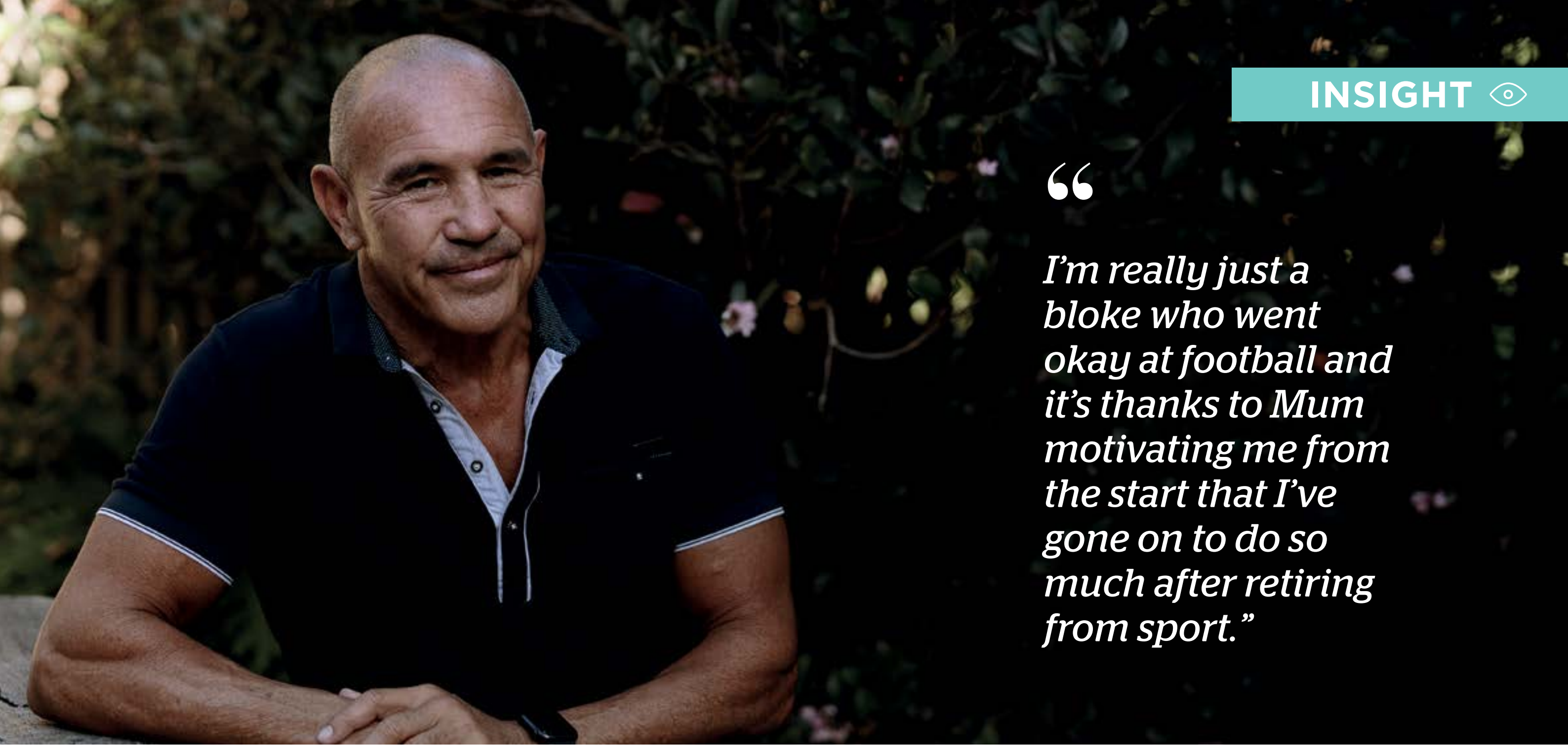
"Corporate Connect.AB is one of several companies in the David Liddiard Group," says David. "We established Birubi Australia in 2013 as a Supply Nation certified Aboriginal-owned and operated civil construction company. The projects we undertake work at many levels to bring better outcomes for Indigenous communities and individuals.

"Take one of our road projects at Port Augusta. This really dusty road was making the community sick and there had been numerous attempts to remedy this in the last 20 years.

"Through advocacy with industry and government, we secured a contract to tar the road and recruited local Aboriginal youth and Elders to work on the project. From filling up the water truck to operating machinery, there were jobs for everyone, including some who had never worked before. These sorts of outcomes are essential for both the physical and mental health of the whole community."

Partnerships are the foundation for every entity in the David Liddiard Group. One of the more ambitious partner projects currently in development is a collaborative, innovative model for creating and maintaining sustainable Indigenous communities.

"Many of our remote communities lack secure housing and are running off diesel fuel, which is expensive and creates significant pollution, leading to health problems," says David. "Right now, we're working on a 10-year partnership plan, drawing



> "I'm really just a bloke who went okay at football and it's thanks to Mum motivating me from the start that I've gone on to do so much after retiring from sport."

on land management practices from Indigenous culture, renewable energy technologies, and best-practice in training and development.

"It's an approach that's got so much potential to bring real independence and prosperity to Indigenous communities in a way that respects our culture and our traditional Elders."

TAPPING INTO NETWORKS

This latest initiative is further proof of the power of networks and collaboration to bring about real change. David is humble about the fact that many influential people over the years have put their faith in him and his belief that a united effort will see all his countrymen and women thrive.

The stated goal of the David Liddiard Group is for 'Indigenous Australians ultimately to enjoy the same standard of living as other Australians – for them to be as healthy, as long living and as able to participate in the social and economic life of the country'. And David knows well from his over 30 years of experience that the involvement of as many stakeholders as possible from Australian society is essential for making meaningful progress towards that goal.

"I've had these amazing women and men around me who share my passion for having an impact and achieving better outcomes for our Indigenous youth and communities," says David.

"People have opened doors on my behalf, starting with John Brown, the Sport and Tourism minister in my footballing days, who was like my second father. Jim Sloman and Stuart Hornery at Lendlease were hugely supportive of our earliest training and development programs. As our Minister for Indigenous Australians, Ken Wyatt is one of our most important allies and supporters today.

"These are just some of the people I've been able to go to over the years to get the outcomes we're striving for. Like me, they want to throw their arms around our kids and do what we can to guide them towards a safer, more prosperous future, where they get to live a life they can be proud of, as I am of mine."

PERFECT, THE ENEMY OF GOOD

Federation Financial Services has a strong focus on ethical investing. The business is passionate about helping its clients invest their money ethically. Dave Rae CFP® talks to Jayson Forrest about the practice's vision, philosophy and approach to ethical investing.

DAVE RAE CFP®

POSITION: FINANCIAL PLANNER

PRACTICE: FEDERATION FINANCIAL SERVICES

ESTABLISHED: 2004

LICENSEE: FYG PLANNERS

FINANCIAL PLANNERS: 2

NO. OF STAFF: 4

> *"Ethical investing is all abut investing for a better tomorrow. It's about directing capital to build a better, more sustainable future. It's a style of investing that resonates with clients."*

It may come as a surprise to many advice businesses that the overwhelming majority of Australians now expect their savings (87 per cent) and superannuation (86 per cent) to be invested responsibly and ethically, with three in four people willing to consider shifting their banking and superannuation to an alternative provider that invests responsibly and ethically.

However, these key findings from the Responsible Investment Association Australasia (RIAA) – which advocates for responsible and sustainable investing in Australia and New Zealand – come as no surprise to Dave Rae CFP®, who along with his colleague Michael Snape AFP®, operate Federation Financial Services in the leafy Canberra suburb of Ainslie.

With only two practitioners, Federation Financial Services may only be a small boutique practice, but when it comes to ethical investing, it punches well above its weight.

However, this focus on ethical investing has only been recent, coinciding with Dave joining the business back in 2019. Dave brought with him a deep-seated interest in ethical investing, which took hold some six years ago, when two separate conversations with clients about sector exclusions, prompted him to think more deeply about ethical investing.

"As I began my research into ethical and sustainable investing, I found my personal and professional interest in this area growing. Things that I never thought about before with investing money, started to make more sense. It allowed me to connect the dots between a client's money, what that money is actually invested in, and how that money is working on the client's behalf."

That was the genesis behind Dave's interest in this style of investing, where he has become adept at investing client's money ethically and sustainably, while ensuring that capital is aligned to his clients' ethical values and preferences. And as a Director of the RIAA, as well as Chair of the RIAA's Financial Adviser Forum, who better to guide clients through their ethical investing journey? He really does know a thing or two about ethical and sustainable investing.

THE A-B-C FRAMEWORK OF INVESTING

In the short time Federation Financial Services has been offering ethical investing as part of its service offering, an impressive 75-80 per cent of clients have either shifted their portfolios entirely to ethical or have started down the path towards ethical investing. Dave cites the summer bushfires of 2019-20 as being the catalyst for many clients wanting to make ESG changes within their portfolios.

"Ethical investing is all abut investing for a better tomorrow," says Dave. "It's about directing capital to build a better, more sustainable future. It's a style of investing that resonates with clients."

But he adds that when it comes to Federation's philosophy about ethical investing, particularly in relation to portfolio construction, it is careful to separate its views from those of clients.

"As a business, we have some fairly strong views around ethical and sustainable investing," says Dave. "So, when we're having conversations with clients, it's important that we educate them without influencing their ethical views. By doing so, we can better understand our clients' individual preferences and values when it comes to ethical investing."

However, he concedes that the nomenclature widely used for responsible investing – which is often used as an umbrella term comprising of ESG (Environmental, Social and Governance), ethical, sustainable and impact investing – can be overwhelming for clients.

Federation Financial Services approaches this complexity by referring to these investment styles interchangeably – at least in the initial stage – when discussing them with clients. And while these different strategies are explained at a higher level, they are never described in a way that is confusing for clients.

In explaining these strategies to clients, the business uses the A-B-C framework that was devised by the Impact Management Project – a forum for building global consensus on measuring, managing and reporting impacts on sustainability. Under this framework, A stands for 'Avoid harm', B stands for 'Benefit people and planet' and C stands for 'Contribute to solutions'.

Dave explains: "'Avoid harm' is about excluding the likes of tobacco and/or fossil fuels from portfolios; 'Benefit people and planet' is about avoiding harm, while being involved directly in activities, like healthcare, that has a benefit for society; and 'Contribute to solutions' refers to companies that operate to avoid harm, while contributing to a solution, like using renewable energy, that generates positive, measurable outcomes for people or the planet.

"This A-B-C framework really resonates with clients and is something they can easily remember. It simplifies all of these different investing strategies."

CLIENT MOTIVATION FOR ETHICAL INVESTING

According to Dave, the types of clients attracted to ethical investing crosses the generations, appealing to both younger and older clients alike. He reveals that the key motivator for clients to invest ethically is wanting to use their money for environmental and social good in a way that they have not done before.

And while climate-related issues remain top of the agenda for clients, other factors like tobacco, weapons and human rights abuses, all figure in client conversations. In fact, Dave says there is now a general expectation by clients that their money is not invested in companies harming the planet, involved in human rights abuses, or engaged in the tobacco and weapons sectors.

"When people donate their money, they are quite targeted in the causes they want to help. And when people spend their money, they may choose not to spend that money with a particular company because of its stance on an issue," he says.

"For many clients, after making this connection between their giving and spending, they are beginning to realise they also have the power to decide where their money can make the most social good with their investments."

But what about portfolio performance? Does this social and ethical connection mean clients need to sacrifice investment returns to invest ethically?

"Not at all," he says. "Of course, as a financial planner, investment returns are still at the forefront of any client's portfolio. We need to ensure that any recommendations made are in the client's best interests. And while clients are focused on using their capital to do good, they still expect to make a decent return on their investments to finance their retirement and lifestyle goals.

"But investing ethically doesn't mean you have to sacrifice investment returns. There are numerous studies, including from RIAA, confirming that ESG and sustainable investing can generate returns at least as good as a traditional portfolio, if not better.

"And in terms of fees, earlier this year, Rainmaker released research showing that ESG equities managed funds are actually cheaper than non-ESG equities managed funds. So, both the performance and fees side of ethical investing is stacking up now for investors."

THE ART OF PORTFOLIO CONSTRUCTION

The first step in the process of building an ethical investment portfolio for clients at Federation Financial Services, is taking the time to understand the client's values and preferences in relation to investing.

This includes discussing a range of issues and topics with clients, which enable the advice team to gauge the appetite of client – both negative and positive – for particular investments and sectors.

The next step is to match a client's values to a suitable portfolio, which won't be detrimental to the client from a performance perspective. Dave concedes that this stage of the portfolio construction process may require some trade-offs by the client, "as there might not be a solution that perfectly matches what they are looking to achieve".

When putting together a portfolio and deciding on the product mix, Dave turns to a resource provided by the RIAA that lists ethical and ESG certified products. These products have been approved by the RIAA as having implemented an investment style and process that systematically takes into account environmental, social, governance or ethical considerations.

"Knowing that these certified products and their investment process has been reliably verified by an external party, provides planners with considerable peace of mind, and removes a lot of doubt caused by 'greenwashing' within the market," he says. "Greenwashing is a form of marketing spin in which companies deceptively try to persuade consumers that an organisation's products, aims and policies are environmentally friendly."

> *"Don't be afraid to admit that you don't know everything. Openly acknowledge to clients that you are also on a learning journey, and while you might not have the answers for them now, you will have the answers after conducting the appropriate research."*

Managed funds are the preferred investment structure used at Federation, and although direct shares are not used within portfolios, Dave is beginning to see a more "activist approach" by clients with their investments.

He reports that clients are increasingly expressing an interest in using their shareholder status to work with advocacy groups, like the Australasian Centre for Corporate Responsibility (ACCR) and Market Forces, on resolutions to hold companies accountable on environmental and social issues.

"I'm starting to see some clients wanting to buy a direct shareholding in a particular company, so they can be more active when voting on company resolutions. They see that as a tangible way they can effect real change."

DON'T FAKE IT TO MAKE IT

Having specialised in advising on ethical investing over the last six years, Dave reckons he has learnt a thing or two. Perhaps his most salient leaning has been: 'Don't let perfect be the enemy of good.'

"As planners, we always want to come up with the perfect solution for our clients. But that's not always possible. ESG and ethical investing continues to evolve and change, which means you are often required to make trade offs with your investments in order to reach your goals. There are always areas of grey you need to navigate and contend with, particularly in terms of how deep a client wants to go with their screening of companies," he says.

"So, it's all about coming up with the best approach for clients that you can find today, and looking to improve on that over time."

And what other advice does Dave have for advice businesses looking to go down the ethical investing path? He points to three key areas: education; know your client; and research.

"You can't fake your way through ethical investing. There's a lot to learn, so planners really need to educate themselves about it. The RIAA is a great place to start. It has a lot of resources and tools available to help financial planners. And fund managers also have plenty of information that can assist planners."

Importantly, Dave recommends practitioners begin having conversations with their clients about this style of investing, and gauge whether it's of interest to them. He also emphasises not to let your lack of understanding about ethical investing hold you back from having those conversations with clients.

"Don't be afraid to admit that you don't know everything. Openly acknowledge to clients that you are also on a learning journey, and while you might not have the answers for them now, you will have the answers after conducting the appropriate research."

Finally, Dave emphasises the importance of doing your due diligence on the products you are considering using to avoid 'greenwashing'.

"Another term that is starting to be used is 'rainbow washing', where funds are mapping their investments to the United Nations' Sustainable Development Goals, of which there are 17. Increasingly, more funds are mapping to those sustainable development goals, which are a rainbow of colours. So, you need to ensure these funds are actually achieving real outcomes."

There are a range of tools planners can use to help with their due diligence and research processes, including the RIAA's certified product tool. There is also the Ethical Advisers' Co-operative (EAC) – a membership of financial planners who predominantly provide ethical investment advice or who are transitioning to this style of advice – which rates funds that have an ethical or sustainability focus. These funds are considered to be making an effort to invest in more environmentally sustainable, ethical and socially responsible investments.

"And if you are really serious about ethical investing, you might want to consider the RIAA's accredited Responsible Investment Certification Program for practitioners, which certifies that financial planners have reached the professional standard required to advise on responsible investing products and services," Dave says.

"With more and more Australians demanding their money be invested responsibly and ethically, there's been no better time to differentiate yourself and your service offering by stepping up to meet this demand."

THE AUSTRALIAN SUSTAINABLE FINANCE INITIATIVE

The Australian Sustainable Finance Initiative (ASFI) was born out of industry discussions at the end of 2017, which focused on developing a sustainable and resilient economy – that prioritises human wellbeing, social equity and environmental protection – for Australia's future prosperity.

In 2019, Dave Rae CFP® was invited to join one of four working groups for ASFI, where the objectives were to develop a roadmap for realigning the Australian finance sector to support greater social, environmental and economic outcomes for the country. These working groups have recommended pathways, policies and frameworks to enable the financial services sector to contribute to the transition to a more resilient and sustainable economy, consistent with global goals, such as the United Nations' Sustainable Development Goals and the Paris Agreement on climate change.

The roadmap, which was launched in 2020, delivered 37 recommendations, with input from over 140 participants, representing over 80 organisations across Australia's financial system. The recommendations were predominantly centred on what the financial services sector could drive, rather than relying on the Government.

Three recommendations specific for the financial advice sector were:

1. Building education around ESG and sustainability. For example, this might include adding ESG and sustainability to the FASEA education requirements.
2. Enabling Australians to take their sustainability values and preferences into account when making financial decisions.
3. The development of sustainability labelling standards to make products and services clearer and more transparent for consumers to understand.

For more information, go to: sustainablefinance.org.au

> *"But investing ethically doesn't mean you have to sacrifice investment returns. There are numerous studies, including from RIAA, confirming that ESG and sustainable investing can generate returns at least as good as a traditional portfolio, if not better."*

A WELLBEING CRISIS IN FINANCIAL PLANNING

Based on findings from a landmark research project, The e-lab, Deakin University and AIA Australia have released a new report on the mental health and wellbeing of financial planners. It reveals important insights on how many in the profession are struggling with so much change and uncertainty.

> *"Financial planners play a critical role in society in helping Australians get access to the right financial advice and have the right financial risk plan and benefits in place... we really value our strong partnerships with financial planners to meet the needs of Australians."*
>
> *DAMIEN MU*
> *CEO AND MANAGING DIRECTOR, AIA AUSTRALIA AND NEW ZEALAND*

Like all Australians, financial planners have had a difficult time adjusting to life and work during a global pandemic. But as changes to working practices and lifestyle have caused disruption, so has another wave of regulatory change and the resulting uncertainty about what's still to come. Add to this the looming deadline for all incumbent financial planners to pass the FASEA exam, and the pressure on the profession has become extraordinary.

Given these circumstances, no one could be surprised to see that, yet again, year-on-year numbers for financial planners are in decline.

Based on its analysis of ASIC data from 2020, Adviser Ratings report that 2,837 financial planners left the industry in 2020. This represents a 12 per cent decline from 2019. It estimates that numbers will fall even more steeply this year, from 20,674 at December to 16,986 by the end of 2021.

According to Damien Mu, CEO and Managing Director of AIA Australia and New Zealand, this rapid fall in numbers of financial advice professionals is a major concern, both for the industry and for the financial security of everyday Australians.

"Financial planners play a critical role in society in helping Australians get access to the right financial advice and have the right financial risk plan and benefits in place," he says.

"They are an incredibly important part of the life insurance ecosystem, and we really value our strong partnerships with financial planners to meet the needs of Australians. It is of major concern if financial planners are struggling, and this is most likely contributing to the numbers exiting the market."

RAISING AWARENESS ON WELLBEING

This is why AIA Australia supported The e-lab and Deakin University in their important research study to accurately assess the state of wellbeing and mental health among financial planners.

In a pioneering investigation into the impacts of change and disruption across the profession, The e-lab's Dr Adam Fraser and Deakin University's Dr John Molineux designed and delivered a survey to more than 1,000 financial planners. They also conducted in-depth one-on-one interviews with 43 financial planners to better understand key issues and invited this group to take part in a seven-day diary study.

Their findings have been published in the Australian Financial Advisers' Wellbeing Report 2021. What they reveal is of vital importance to understanding what's behind mental health problems for many financial planners and the strategies some are using to maintain their wellbeing in the current operating environment.

In making these insights widely available, the researchers and their sponsors hope to raise awareness of the seriousness of the mental health issues financial planners are experiencing and open new conversations about how they can be better supported.

"This research will be hugely beneficial, both in showing decision makers the difficulties that planners are facing, and in helping us to understand how we can better support our partners to thrive," says Damien.

ISSUES AND RISK FACTORS

While the research looks at a wide range of positive and negative attitudes and behaviours to explore the impacts of work and stress, there are some notable findings on just how many financial planners are feeling overwhelmed in their role.

In responding to questions on work overload, the vast majority agreed that they need more hours in the day (81.91 per cent), can't ever seem to catch up (75.35 per cent) and have no time and energy leftover (82.53 per cent) for things outside of work. This degree of strain and overwork puts financial planners at risk of burnout and other mental health issues. In fact, the research found that they have a 51 per cent higher chance of being in a high mental health risk group compared with the Australian population overall.

When it came to exploring the work-related triggers for stress in financial planners, dealing with compliance and regulation was by far the leading cause. Eighty-two per cent of financial planners agree that this part of their work is highly stressful, with education requirements coming in second place at 51 per cent.

In looking at how this group of financial planners report spending their time, the research found that compliance (14.35 per cent) and administration (14.88 per cent) together outweigh time spent with clients (16.37 per cent) and providing advice (12.27 per cent. Unsurprisingly this is resulting in the majority of financial planners (77 per cent) feeling high levels of frustration with their work.

WHAT IT TAKES TO THRIVE

While there are no easy answers for financial planners experiencing negative impacts due to the increasingly complex nature of their role, there are some valuable lessons to be learnt from those continuing to enjoy their work and find it rewarding.

The study found that some participants were thriving in spite of the challenges they face and were able to develop their business and achieve work life balance. This group of 'thrivers' were not limited to a specific demographic and come from a diverse range of age groups, genders, locations, experience and education. What they do have in common is their psychological flexibility and an ability to make their wellbeing a priority, as well as engaging with other financial planners for support.

These characteristics, and the improved mental health outcomes they can lead to, can help financial planners see the value in changing their habits, as well as guiding industry partners in putting the right supports in place.

"The research findings, particularly with respect to the 'Thrivers', provide valuable insight into the importance of making small improvements to our lifestyle habits," says Damien. "We will continue to work with our adviser partners to empower them in their health and wellbeing journey, so that they can continue their important work to make a difference in the lives of their clients."

KEY FINDINGS ON FINANCIAL PLANNER WELLBEING

Financial planners have a 51 per cent higher chance of being in a high mental health risk group compared with all Australians.

73%
are experiencing high levels of burnout at work

67%
experience some level of depression

61%
believe stress is stopping them from getting enough sleep

42%
are considering leaving their job due to stress

33%
are seeking medical help for the effects of stress

SOURCE: *The e-lab and Deakin University, The Wellbeing of Financial Advisers in Australia Report, 2021*

THE WAY FORWARD

As evidence of the significant impacts of changes in the industry on financial planners, this report is a valuable input to conversations about the future of financial advice at every level. The report's authors and AIA Australia are encouraged to hear how the research has been received by industry stakeholders, from government and dealer group, as well as professional bodies like the Financial Planning Association.

"Since its release, the research has generated a lot of discussion within the industry and we support ongoing constructive dialogue on the topic," says Damien. "

As an industry, we need to continue to advocate to policymakers about the impact of ongoing regulatory changes on financial planners. The research also highlighted that planners felt there needed to be greater collaboration with industry bodies. By providing further opportunities for consultation, financial planners and policymakers can work together to ensure that outcomes will meet consumer needs, while also supporting the sustainability of the advice profession."

INSIGHT

PORTFOLIO CONSTRUCTION: THE THIRD DIMENSION

Investors are increasingly looking for strategies that go beyond traditional ESG investing principles, by seeking to use their capital to contribute to solutions that make a lasting difference to society and the environment, without compromising their financial returns. Jayson Forrest reports.

With the rise in awareness of ethical and responsible investing, it's hardly surprising that more Australians now expect their savings (87 per cent) and superannuation (86 per cent) to be invested responsibly and ethically. But what these figures from the Responsible Investment Association Australasia (RIAA) conceal is the increasing demand by investors for investment opportunities that go the next step, by taking their investing beyond traditional environmental, social and governance (ESG) principles.

These investors are seeking to use their capital to invest in solutions that make a genuine impact, with many turning to impact investing – a style of investing where the core investments seek to make a lasting difference to society and the environment without compromising financial returns – to achieve this.

> *"For private clients, they often want to know that their portfolio is contributing to real world outcomes and this also helps them have a stronger connection to their investments. They want to invest in businesses and projects that are moving the dial in areas they are passionate about."*
>
> FARREN WILLIAMS CFP®

According to the Global Impact Investing Network (GIIN) – a worldwide movement aimed at increasing the awareness of impact investing – impact investing takes the concept of responsible investing to the next level, where capital is invested with organisations, projects or funds that are generating measurable, positive social and environment outcomes, alongside a financial return.

Today, impact investing can be seen in a range of sectors: from sustainable agriculture, renewable energy, conservation, and microfinance, to affordable and accessible basic services, like housing, healthcare, and education.

"Impact investing involves having a clear set of goals you want to achieve with intent," says Ethinvest Managing Director, Trevor Thomas CFP®. "You set out the intent in terms of the environmental and/or social impact, and then you track your performance against that intent. You are looking to make sure your money is achieving measurable outcomes beyond just financial returns."

CLIENTS WANT TO DO GOOD

The type of client attracted to impact investing is wide and varied, ranging from public and private foundations, to family offices, institutional investors, governments, fund managers, community finance organisations, right through to individual retail investors.

"This style of investing appeals to a wide range of client types," says Farren Williams CFP® – an Adviser and Partner at Koda Capital. "For private clients, they often want to know that their portfolio is contributing to real world outcomes and this also helps them have a stronger connection to their investments. They want to invest in businesses and projects that are moving the dial in areas they are passionate about.

"Incorporating impact investments in their portfolio, enables clients to amplify the impact they can make through their investment portfolio, while delivering a financial return that meets their objectives."

Trevor adds the philanthropic sector has been the real driver of impact investing over the last 10-15 years, with these investors – such as charitable organisations and foundations – seeking to invest their capital in investments that are aligned to their philanthropic vision.

According to Leah Willis – Head of Client Relationships at Australian Ethical – there is a common misconception within the market that responsible investing that delivers impact is only attractive to Millennials and younger investors. Instead, she points to recent syndicated research from Investment Trends about consumer attitudes to ESG and responsible investing, which found a strong demand for this style of investing across all age groups.

"Investors are drawn to responsible investing because they want to make a beneficial impact in the way they invest. Their motivation to invest this way is varied, including: wanting to create a better future for their children and/or grandchildren; concern about the effects of climate change; and not wanting their investments to fund activities or practices they weren't comfortable with."

Another misconception Leah identifies is the belief that investors have to make concessions on their portfolio returns

TREVOR THOMAS CFP®
ETHINVEST

FARREN WILLIAMS CFP®
KODA CAPITAL

LEAH WILLIS
AUSTRALIAN ETHICAL INVESTMENT

in order to make a positive social and environmental contribution. She refers to numerous industry studies, including from RIAA, confirming that responsible investing can generate returns at least as good, if not better, as a traditional portfolio.

"You absolutely don't need to sacrifice investment returns to achieve impact," says Leah. "Like all investments, there are good ones and bad ones in the market. Therefore, it's always important for planners to be aware of what they are investing in."

INVESTING PHILOSOPHY

Fundamental to its approach to responsible investing, Australian Ethical uses an Ethical Charter, which underpins the way in which the organisation generates impact through its investment process. This Charter has 23 principles which are used to screen investments.

In fact, Australian Ethical takes the view that capital is one of the strongest ways investors can make an impact on critical social and environmental issues.

"Investors can use their capital as a force for good, by directing it towards more positive investments and businesses that are actually helping to support a more sustainable future and better social and environmental outcomes," says Leah.

"Our investment philosophy is about removing the social licence of those companies we think are unethical or are producing products or services that are directly harmful to the environment or society. We do that by including positive, sustainable and forward-looking investments, while excluding those investments that we deem to be negative."

Australian Ethical excludes almost 60 per cent of the ASX Top 100 companies from investment selection. These companies fail to meet its strict investment criteria, either due to the products or services they produce or the way in which they are run.

By excluding 60 per cent of the top stocks, Leah says it's a great opportunity for the business to apply its deep investment expertise to produce alpha, while searching for opportunities in the mid, small and micro cap sectors that other managers might not be looking for.

"We end up in sectors like healthcare, IT and utilities, where we get some terrific renewables exposure. It's a very different looking portfolio than your mainstream Aussie equity large cap portfolio," says Leah.

NO COMPROMISE ON RETURNS

Farren believes for impact investing to be successfully integrated in a client's portfolio, planners need to take the time to fully understand their clients' values and investment preferences, including what activities they want to promote and avoid and what solutions they want to contribute to. From there, a portfolio can be constructed to maximise the impact clients can achieve with their money.

"At Koda Capital, our approach to investing for a social and/or environmental impact, along with financial returns, begins with understanding each client's values and passions, their risk tolerance, and what their return requirements are. Understanding these factors will drive the sorts of impact investments that resonate and are appropriate for each client," says Farren.

"We don't see impact investing as having to compromise on financial returns or risk. We conduct a deep dive on the impact thesis, including how the impact is created, how it is measured, whether it is likely to be enduring and whether there are any perverse outcomes, as well as analysing the financial drivers and risks, just as you would do with any investment."

It's a similar approach at Ethinvest, where Trevor says investors can find impact investment opportunities across the whole spectrum of asset classes – from social impact bonds, to private equity and venture capital, listed equities, real assets, through to property and mortgaged-backed lending against property.

And while Ethinvest seeks to invest its clients' capital in investments that are aligned to making a positive environmental and social contribution, in instances where there are specific corporate practises or policies a client wants to change, it might also buy shares in a company and undertake shareholder activism to try and change the company's perspective on particular issues, like fossil fuels.

> *"One of the challenges of impact investing is to make sure there is a solid business model and a strong financial case underpinning the investment, to ensure you are getting an appropriate return for the risk that you're taking."*
>
> TREVOR THOMAS CFP®

It's a similar position undertaken at Australian Ethical, with Leah confirming that shareholder engagement is also a core part of its ethical process, where it works alongside advocacy groups, like Market Forces, to try and influence corporate change among Australian companies.

IMPACT INTO PRACTICE

To help Ethinvest take the next step from ethical and responsible investing to impact investing, it made a significant decision to set up a new company – Australian Impact Investments – that specialises in impact investing.

"At the time, we couldn't find much information in the marketplace that would allow us to properly assess all the impact investing opportunities that clients were wanting. So, we decided that the best way forward was to set up Australian Impact Investments," says Trevor.

Australian Impact Investments was formed six years ago and operates independently from Ethinvest. It is a specialist consulting firm that provides advice to clients seeking to mobilise their capital to create positive environmental and social impact alongside financial returns.

Ethinvest uses Australian Impact Investments to assess various impact investment opportunities. The investments that pass the screening process are then presented to clients whose specific investment profile matches the impact opportunity.

Recent impact investment opportunities screened by Australian Impact Investments have fallen into a range of sectors, including: public transport; solar farms; regenerative agriculture; remote area power generation; and Indigenous education.

For Farren, the key to developing a strategy that puts impact into practice begins with ensuring the portfolio construction principles around asset allocation and diversification are securely in place.

"It's not a matter of having a balanced portfolio and then adding responsible investments as accessories. Instead, it's all about working out what asset allocation is appropriate for the client, and then within each asset class, finding investments that provide the client with the right financial outcome, ethical alignment and, where possible, positive impact," she says.

Farren points to a range of impact opportunities, including: special disability housing; renewable energy infrastructure; venture capital targeting scaleable impact often with a gender lens; social impact bonds; and agricultural businesses involved in improving soil health, enhancing ecosystems and using scarce resources more efficiently. The opportunity set is wide and varied and can be accessed through direct investments, as well as managed funds, but rigorous due diligence is required.

THE IMPACT THESIS

When it comes to impact investing, there are a lot of good ideas in the market, but not all of them stack up commercially. Therefore, Trevor believes that for investors wanting to combine both financial returns, along with tangible social and environmental impacts, they first need to consider the financial analysis of the deal and the impact thesis of the investment.

He explains: "One of the challenges of impact investing is to make sure there is a solid business model and a strong financial case underpinning the investment, to ensure you are getting an appropriate return for the risk that you're taking. Or if it's about getting a concessional return, then it's because you want to."

And then there's the impact thesis. This means determining if the impact theory is strong. Will it achieve its goals? What are the risks? How committed is the business to the impact?

Farren also warns that as impact investing gains momentum, there is a risk of investments being mislabelled or 'impact washed' by companies and funds, in order to attract capital. 'Impact washing' is a form of marketing spin where companies or fund managers deceptively make impact-focused claims without having a demonstrable positive social or environmental impact.

"It's critical that planners undertake a deep dive analysis of these products, in order to identify the investments that will genuinely deliver impact, while also providing a suitable return," Farren says.

"When undertaking your due diligence, you need to closely consider the quality and capability of the people behind the investment, what the impact thesis is, and make sure the investment returns align with the impact. That's because you want to ensure that the impact and return are aligned and moving in lockstep, rather than being in tension with each other."

TIPS AND TRAPS

Investing to achieve social and environmental impact might sound attractive, but impact investing is not suited to every business or client. However, for those advice practices considering going down the impact investing path, there are five key points to keep in mind.

1 DO YOUR RESEARCH

Implementing an investing strategy that achieves measurable impact and financial return can be confusing and complex for planners. Impact investing is a relatively new area for planners, meaning many practitioners lack the knowledge and confidence to lead conversations with clients on this style of investing.

However, there is an ever-increasing range of materials and resources available for planners in this investing space, including from RIAA, GIIN, and Australian Impact Investments. There are also a number of fund managers that also offer a range of resources.

2 FIND INVESTMENTS THAT ARE OPEN

It can be challenging for planners to find a diversified range of impact investments that are open. That's because most of these funds tend to be wholesale (although this is changing) and are only open for a set period, rather than being open-ended funds.

"Therefore, you have to take a fund while it's open, which means it can take time to build up a complete portfolio," says Trevor. "Instead, it's often easier to find impact opportunities in the venture capital or private equity space, compared to other asset classes. This means while you may quickly fill up your allocation to private equity, it might take you longer to find credit and income-focused investments in the defensive space."

3 KNOW YOUR CLIENT

Take the time to properly understand your clients, their risk appetite, their values and preferences, and the issues they are interested in. By doing so, planners are better able to identify the impact areas that resonate with clients, as well as the asset classes they need to be looking for opportunities in.

4 DON'T BE AFRAID TO SAY 'NO'

There are many investment opportunities in the responsible and impact space, so don't be afraid to reject investments that don't meet your criteria. Farren says it's much better for planners to take their time and find a few high quality investments that meet the return, risk and impact requirements they are looking for.

Leah adds that practitioners need to be mindful that many of these impact investment opportunities have grown out of private equity and venture capital businesses. As a result, they are often less liquid, which might mean allocating a smaller proportion of an investor's overall portfolio to these opportunities if liquidity is an issue.

5 SPECIALIST ORGANISATIONS

Specialist organisations, like RIAA and GIIN, can help improve a business's understanding of responsible and impact investing, while introducing it to other professionals and practices already working in this space.

FINALLY, DON'T REINVENT THE WHEEL

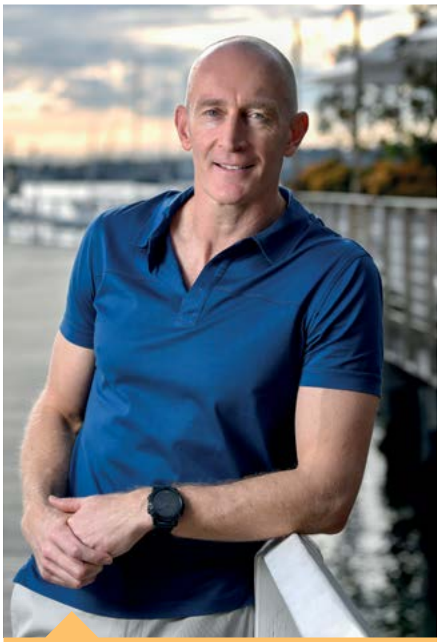
There's no doubt that responsible investing that provides measurable and beneficial social and environmental impacts is currently very popular with investors. And while this style of investing is relatively new for many practitioners, Leah advises any advice business considering going down the impact investing path to not be overwhelmed by it.

"Don't throw the old out with the new," says Leah. "Achieving impact through responsible investing doesn't require you to reinvent your models or reinvent traditional risk-return portfolio construction. It's simply a third dimension to portfolio construction.

"As financial planners, the more we think about investments and the potential causes of harm they can do in a portfolio from a social and environmental perspective, the greater the potential positive contribution an investor can make to social and environmental solutions. Impact investing is simply an evolution of modern portfolio construction."

USING YOUR RESILIENCE MUSCLE

Running a small advice business can be challenging, particularly when faced with setbacks. Andrew May provides 10 tips that will enable small business owners to strengthen their personal resilience and the resilience of their business.



"Despite their importance to the economy, running a small business – like a financial advice practice – is challenging at the best of times. Owners often experience personal debt bankrolling their business, cashflow issues, the stress of carrying all the risk and working long hours with sometimes little reward."

Small businesses are the lifeblood of Australian industry. Accounting for nearly 98 per cent of businesses in the country, they fuel our economy and, spanning every sector and demographic, they employ about five million Australians.

Small businesses are typically more innovative, more agile and more creative than large corporations, and are finely woven into the fabric of our community, not only servicing locals, but adding to the heart and soul of neighbourhoods around Australia.

Despite their importance to the economy, running a small business – like a financial advice practice – is challenging at the best of times. Owners often experience personal debt bankrolling their business, cashflow issues, the stress of carrying all the risk and working long hours with sometimes little reward.

Adding to these challenges are unexpected hits to advice businesses, including regulatory change, new education standards and, most recently, the COVID-19 shutdown.

YOU NEED RESILIENCE

To survive and overcome such setbacks requires resilience; that is the ability to bounce back from setbacks and emotionally cope with crises and challenging situations.

According to a recent study of small businesses in Australia, 27 per cent of leaders feel very stressed and 78 per cent are feeling additional pressure as a result of COVID-19.

Interestingly, the report found highly resilient small business owners tend to fare better, both personally and professionally, than their counterparts and are more likely to be financially successful, experience job satisfaction and feel happier overall.

The positive news is that resilience is like a muscle that we can develop in a variety of ways. According to the Department of Health, you can build your resilience by:

- Knowing your strengths and keeping them in mind;
- Building your self-esteem - have confidence in your abilities and focus on the positive things in life;
- Building healthy relationships;
- Knowing when to stick your hand up and ask for help;
- Managing stress and anxiety levels; and
- Working on problem solving skills and coping strategies.

More specifically, small business owners can strengthen their resilience and the resilience of their business with the following steps on page 35.

BUILD YOUR RESILIENCE MUSCLE

I'd go as far as saying small business owners are some of the most resilient people I've ever met. But please don't think you become resilient just by going through challenging situations. You really can build your resilience muscle by employing all of the following strategies (on page 35) and above everything, keeping perspective.

Andrew May is a workplace performance and wellbeing specialist. His company, StriveStronger, has teamed with NAB to provide a free health and wellbeing program to help SMEs and their staff be more resilient, transition to new ways of working and sustain physical and psychological wellbeing. Go to: nab.com.au/business/small-business/hub/business-fit

10 TIPS TO BUILDING RESILIENCE

1 TOUGH TIMES BRING ON MENTAL TOUGHNESS: Getting through hard times and discovering we can come out the other side, in itself helps to build resilience and gives us an internal reserve of mental strength to draw from the next time we face a challenge.

2 KNOW THE RED FLAGS: Recognising the signs that you are not coping allows you to take action before they overwhelm you. Red flags include consistently not sleeping, having a short fuse, withdrawing from friends or family, experiencing muscle tightness or tension headaches, avoiding physical activity, drinking to excess, and not looking after yourself physically or mentally.

3 PRIORITISE SELF-CARE: Making time to get enough sleep as well as regular exercise, hydration and nutrition, are the basic building blocks that support our body and mind, helping us to maintain health and cope during times of stress.

4 FIND HEALTHY COPING STRATEGIES: These include practising mindfulness or meditation; keeping a thought journal; getting out in nature regularly; breaking down challenges into small, bite-sized tasks; celebrating small wins and achieving goals; incorporating fun, laughter and play into your life; exercise, gardening and cooking.

5 SPENDING TIME WITH LOVED ONES: Time spent with family and friends, as well as self-care, are often the first things to fall by the wayside when the going gets tough, but these are the very same things that help to relieve stress and provide us with support, so we can stay the course. Put these important activities in your diary each week for accountability.

6 UTILISE AVAILABLE RESOURCES: Whether it is accessing Government stimulus packages or grants, engaging the expertise of other third-party business professionals, or accessing mental health resources, drawing on help is a necessary step for successfully navigating hard and challenging times.

7 COMMUNICATE: When working with staff, give them information about your plans, check in with how they are feeling and remember that good team morale will help you all as individuals and as a business to bounce back in the short and long-term. Also communicate with your clients and let them know how your business has been affected and how this may affect your service.

8 CONNECT WITH PEERS: Connecting with other practitioners and small businesses, either in your community or the wider advice profession, as well as professional associations (like the FPA), provides a unique source of support and connection, as well as the opportunity to share and receive advice.

9 LEARN, ADAPT AND GROW: Consider the various options available, whether it is changing the way you operate, moving more of your business online, upskilling yourself or staff, streamlining services or considering how you can rebuild your business so it is more resilient

10 REFLECT: Take the time to reflect on what can be learnt from the challenges you have faced and how you might make changes to minimise the impact of future challenges.

> *"I'd go as far as saying small business owners are some of the most resilient people I've ever met. But please don't think you become resilient just by going through challenging situations. You really can build your resilience muscle by employing all of the following strategies and above everything, keeping perspective."*

THINKAGAIN ABOUT MENTAL HEALTH

Dean Loosmore CFP® is inspired by the work Hannah James is doing in the local Gladstone community to raise awareness of the mental health and wellbeing of high school students.

GRANT RECIPIENT:
THINKAGAIN AUSTRALIA

GRANT AMOUNT:
$10,000

ENDORSED BY:
DEAN LOOSMORE CFP®

FPA CHAPTER:
CENTRAL QLD/ROCKHAMPTON CHAPTER

> *"Hannah has achieved more in her 20 years than most will in their lifetime. She knows what it takes to give back to her local community and she carries herself in a way that totally aligns with the principles and values of Future2."*
>
> DEAN LOOSMORE CFP®

ThinkAgain Australia – a Gladstone-based not-for-profit – first caught the attention of Dean Loosmore CFP® through the work of a well-known local, Hannah James.

In June 2020, Hannah, who was 19 at the time, organised an initiative called 'Push for Change', which saw the teenager complete 9,000 push ups – or one push-up for every student living in the Gladstone region – to help raise awareness of the mental wellbeing of students in the Central Queensland region of Gladstone.

"This inspired me to get involved with this great initiative, both financially and through my own physical activity of cycling 900 kilometres," says Dean – a Director and financial adviser at Lio Financial Advisers. "ThinkAgain raised over $3,500, which was an amazing effort, with 100 per cent of these funds being allocated to facilitate 'mental wellbeing programs' within local high schools, equipping students with the resources to better deal with their mental health.

"I truly believe society would be a better place if we can assist our younger people make better decisions by providing them with the right tools, so they become resilient, confident and more secure individuals."

Today, ThinkAgain Australia, which was founded by Hannah, is working closely with schools to help strengthen the mental health of students based in the Gladstone region. Why? Because Hannah says too many young people grow up without learning the skills they need to be mentally healthy. This means the prevalence of mental disorders in young people continues to rise.

She cites that 13.5 per cent of primary school students and 14.3 per cent of high school students experience a mental illness.

"That means of the approximate 9,000 students in the Gladstone region, over 1,250 students are struggling with a mental illness right now. And that's a figure that can't be ignored," Hannah says.

"At ThinkAgain, we believe these statistics are not okay, and we would like to do our part to turn them around. For many school students, mental illness is highly treatable, if not preventable. Our mission is to provide mental health programs to every school in the Gladstone region by 2025, because we believe all people deserve the chance to learn practical mental health skills."

FUTURE2 GRANT

As a financial planner and accountant who enjoys giving back to his local community, Dean was inspired by Hannah's commitment and drive to improving the mental health and wellbeing of students. He could not think of any other organisation that would benefit as much from a Future2 grant as ThinkAgain Australia, and so encouraged the not-for-profit to apply for a grant, which he willingly endorsed.

And the Future2 grant's committee was equally impressed, awarding ThinkAustralia with a $10,000 grant for its school-based mental health and wellness programs.

Sitting at the heart of these programs is 'Open Parachute' – a Government-endorsed and evidence-based

Dean Loosmore CFP® supporting the community work of Hannah James from ThinkAgain Australia.

curriculum. The curriculum is based around videos of Australian teenagers sharing their stories of overcoming struggle, which breaks down barriers of stigma by providing real peer role models that students can identify with, learn from and emulate.

"Each of our programs are run by trained ThinkAgain facilitators during school lunch breaks and can be tailored to suit the needs of each school," says Hannah. "The programs typically consist of one session per week for eight weeks. We know that skills learnt in ThinkAgain programs are skills that last a lifetime and have the potential to drastically transform the trajectory of students' lives. For many students, whose decisions are led by their emotions, these skills are life changing."

POSITIVE OUTCOMES

Hannah points to research that shows mental health interventions in schools can improve students' resilience, mental wellbeing, peer relationships, focus, academic performance, and school attendance.

"It is our hope that, in the long run, ThinkAgain programs will not only transform individual lives, but also the overall mental wellbeing of local schools and the wider Gladstone community," Hannah says.

"Our programs are helping students to support each other through issues they would normally hide from their peers, such as: depression and anxiety, low self-esteem, eating and body image issues, bullying and friendship difficulties, addiction, loss and grief."

As student mental health is strengthened, Hannah expects to see a range of positive outcomes. However, she remains realistic about the organisations short-term objectives, which are: establish strong relationships with principals and student wellbeing staff in local schools; deliver programs to as many students in as many schools as possible; develop systems to measure wellbeing outcomes in schools; and partner with local schools and industries to secure sustainable long-term funding.

With the program costing approximately $50 per student, winning a $10,000 Future2 grant has been amazing for this start-up, providing it with the ability to fund an additional 200 students in the program throughout 2021. "This has been unbelievable for us and for the students living in the Gladstone region," says Hannah.

"Statistics show that young people are most vulnerable to mental illness. Yet, it's not uncommon for Australian students to complete 10-12 years of schooling without learning basic skills to care for and strengthen their mental health. Without these skills, students are ill-equipped to manage complex emotions that are a normal part of the human experience. Consequently, instead of being engaged members of society who are living productive and fulfilling lives, many students battle with poor mental health, or even mental illness.

"Our programs meet this need by normalising discussion about mental health in schools and equipping students with practical skills that they can use to manage their thoughts and emotions in a healthier way. With stronger minds and more resilience, students will be better equipped to tackle whatever life throws at them."

Dean agrees, adding: "The Future2 grant has enabled a much greater awareness on mental health and wellbeing programs available for high schools and students across the Gladstone region. Hannah has achieved more in her 20 years than most will in their lifetime. She knows what it takes to give back to her local community and she carries herself in a way that totally aligns with the principles and values of Future2."

> *"Our mission is to provide mental health programs to every school in the Gladstone region by 2025, because we believe all people deserve the chance to learn practical mental health skills."*
>
> *HANNAH JAMES*

CPD MONTHLY

Each month, Money & Life publishes two CPD Monthly articles. The following are overviews of this month's two CPD accredited articles. To read the full versions of each article, and to receive your CPD hours, click on the Learn tab at moneyandlife.com.au/professionals.

ARTICLE 1

JANET MANZANERO-CARUANA
IOOF

THE TRANSFER BALANCE CAP AND CONTRIBUTIONS CAPS

From 1 July 2021, the general transfer balance cap (TBC) and concessional and non-concessional contributions caps have increased, allowing eligible clients to move more retirement savings to a more concessionally taxed environment.

This article explores: the partial indexation of TBC; the increase to the defined benefit income cap; the increase in the concessional contributions (CC) cap and its impact on carried-forward unused CC caps; and the increased non-concessional contributions and new total superannuation balance (TSB) thresholds.

And while the increases in the general TBC, TSB thresholds and contribution caps are good news for clients who want to accumulate more retirement savings that enjoy generous tax concessions, the indexation of the TBC will create complexity for financial planners with clients who's personal TBCs are between $1.6 million and $1.7 million.

WHAT YOU WILL LEARN

- Changes to the transfer balance cap
- Concessional contributions cap
- Increased defined benefit income cap
- Total superannuation balance thresholds

This article is worth **0.5 CPD HOURS**

ASIC knowledge area **SUPERANNUATION**

FASEA CPD area **TECHNICAL COMPETENCE**

ARTICLE 2

DAVID BARRETT
MACQUARIE

DESIGN AND DISTRIBUTION OBLIGATION (DDO) REGIME

The Design and Distribution Obligation (DDO) regime commences on 5 October 2021, and this new regime will have a significant impact on financial planners.

Although the DDO regime is primarily aimed at financial product distribution that is not related to personal advice, there will be certain obligations on financial planners and/or their licensees even when they do provide personal advice.

This article explores the various facets of the DDO regime, with a focus on the obligations of financial planners under DDO.

WHAT YOU WILL LEARN

- The Design and Distribution Obligation regime
- Issuer and Distributor obligations
- Target market determination
- Personal advice considerations

This article is worth **0.5 CPD HOURS**

ASIC knowledge area **FINANCIAL PLANNING**

FASEA CPD area **REGULATORY COMPLIANCE AND CONSUMER PROTECTION**

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FPA CHAPTER DIRECTORY

NSW

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

MID NORTH COAST
Lucas Garside AFP®
Chairperson
T: (02) 6584 5655
E: lgarside@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

Andrew Saikal-Skea AFP®
Chairperson
T: (02) 6219 7255
E: andrew@saikal-skea.com.au

VICTORIA

MELBOURNE
Julian Place CFP®
Chairperson
T: 0418 111 224
E: julianplace@bigpond.com

ALBURY WODONGA
David Guy CFP
Chairperson
T: 0439 412 122
E: david@veritasmm.com.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
Dave Horan CFP®
Chairperson
T: 0429 968 735
E: dave@cpwealth.net.au

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

SUNRAYSIA
Hayden Allen CFP®
Chairperson
T: 03 5021 1235
E: hayden@trilogyfg.com.au

QUEENSLAND

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

CAIRNS
Lyle Filer AFP®
T: 0425 337 256
E: lyle@lighthousepartners.com.au

FAR NORTH COAST NSW
Nat Daley AFP®
Chairperson
T: 0407 662 780
E: nat.daley@scu.edu.au

GOLD COAST
Andrew Faber CFP®
Chairperson
T: 0402 876 873
E: contact@andrewjfaber.com

MACKAY
Brendan Hughes AFP®
Chairperson
T: 0439 781 190
E: brendan@efsmackay.com.au

SUNSHINE COAST
Riordan Butler AFP®
Chairperson
T: 1300 744 567
E: riordan@philos.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

Michael Smith AFP®
Chairperson
T: (08) 8104 9111
E: michael.smith@halpinwealth.com.au

NORTHERN TERRITORY

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

WESTERN AUSTRALIA

Naomi Mee-Martino CFP®
Chairperson
T: 0413 917 698
E: naomi@bastionfinancialgroup.com.au

TASMANIA

Todd Kennedy CFP®
Chairperson
T: 0407 101 231
E: todd.kennedy@tptwealth.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)

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