

# MONEY & LIFE

## *A personal approach to injury*

**JANE CAMPBELL CFP® ON ADVISING SEVERELY INJURED PEOPLE**

**DIVERSITY IN WEALTH**

ADJUSTING TO A DIVERSE WORKPLACE AND CLIENT BASE

**SUPER CONCESSIONS**

LOW AND MIDDLE INCOME EARNER CONCESSIONS

**TERMINAL ILLNESS**

SUPER OPTIONS AND ALTERNATIVE STRATEGIES



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# JUNE / JULY 2022

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# STRONG, BOLD ADVOCACY

*Firstly, thank you for being  
a member of the FPA.*



“

A new financial year is coming up and in 2022/23, we look forward to supporting you with continued advocacy to make our profession stronger, tailored services, and improvements to your member experience. You can read more about membership on page 6.

I've spoken with many members in my first few months and the feedback is loud and clear: what you seek most from your FPA is strong, bold advocacy for our profession. Our current focus is the Government's Quality of Advice Review, and we have worked with members, as well as many other associations, to build a strong submission that represents points of agreement across our whole profession.

With your input, the policy positions we're putting forward cover five key themes: 1) ensuring we can deliver advice that meets client needs; 2) recognising that planners are professionals; 3) achieving regulatory certainty; 4) sustainability of the profession and practices; and 5) prioritising technology, open data and innovation.

Your input has been vital to our submission. It is your professional insights, and your clients' advice experience, that drive our recommendations. Together, we're making the voice of our profession stronger.

## RECONNECTING IN-PERSON

During June, I've been delighted to travel across Australia to meet with many of you at our FPA Roadshow Capital City Series. It is so good to be able to meet face-to-face!

I encourage you to mark your diary for the FPA Professionals Congress and book your ticket now, so we can connect in Sydney from 23-24 November, 2022.

## DIVERSITY

It's clear we need more great financial planners to meet the advice needs of Australians.

As well as working to retain current experienced planners, the FPA is delivering practical support to new entrants, particularly during the Professional Year (PY). You can learn about the FPA's PY tool on pages 14-15.

We are also working with universities, to ensure the benefits of a career in financial planning are recognised and communicated to prospective and current students.

We have in place a thriving Women in Economics and Finance program, currently administering over \$1.5 million in scholarships (with the support of the Government), with more to come.

We are seeking to foster a diverse, as well as a larger community of financial planners, to better serve the needs of Australian consumers. We've dedicated this issue of your member magazine to explore diversity in our profession.

I hope you enjoy this edition.

*Sarah Abood*

**Sarah Abood**  
Chief Executive Officer

”



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\*Ryan is a hypothetical customer based on a 50-year-old Male, non-smoker, occupation A1 without any loadings, taking out Crisis Recovery, Crisis Extension and Crisis Re-instatement as quoted March 2022. The \$300,000 sum insured is split equally with \$150,000 Crisis Recovery and \$150,000 Crisis Extension. This is an illustrative example only and the premium difference between Crisis Recovery and Crisis Extension will vary depending on the individual circumstances of the insured.

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# IMPROVEMENTS TO FPA MEMBERSHIP

The FPA has announced important changes to its membership from the next financial year, focused on supporting members with clear, simple and customised services, tailored to the role and stage of career of a member. This includes a clearer membership pathway, across a revised set of categories for FPA members.

“We have reviewed and streamlined our membership categories to ensure we provide a home for everyone working in the financial planning profession,” says FPA CEO Sarah Abood. “The new categories evolve our membership structure and help deliver the support that members need.”

For 2022/23 membership renewals there will be three broad categories for members:

## **CERTIFIED FINANCIAL PLANNER® OR CFP® PROFESSIONAL**

This category supports practising, non-practising and retired CFP® professionals. The membership fee for non-retired members in this category will be \$995 and there will no longer be the \$200 marketing fee to pay. This represents a total saving of \$100 per year in fees for our CFP® professional members. Members in this category can also look forward to more exclusive CFP® professional events, learning and preferred pricing in the coming year.

“To be clear – we will still be actively promoting and supporting the CFP® designation, even with the levy removed. We will be less constrained

in terms of how we achieve this,” says Sarah.

## **PRACTITIONER MEMBER**

This new category will include current Financial Planner AFP® members and an invitation to current Associate members who are listed on the Financial Adviser Register (FAR) to upgrade to Financial Planner AFP®. The Practitioner category also offers a membership pathway for new entrants to the profession, with provisional financial planners (PY planners) able to join under this category. This is in addition to the special graduate pricing to encourage more high quality talent into the profession.

The annual fee for practitioner members is \$595 – this has been unchanged for seven years.

## **AFFILIATE MEMBER**

This category is for members in critical support roles, such as paraplanners, technical support and customer service teams. For these members, the FPA will be providing tailored CPD support, networking opportunities and career guidance, as part of their membership services.

The Affiliate member category is home to Retired members (now Retired Affiliates), current Allied Professional members and those current Associate members who are non-practising and not listed on the FAR. The Affiliate category is also the home to Student members (now Student Affiliates) and Academics (now Academic Affiliates).

## **PROFESSIONAL PEER NETWORKS**

To offer members a way to connect with like-minded peers and access relevant resources tailored to their interests and aspirations, the FPA is launching new Professional Peer Networks (PPNs). Access to PPNs will be tailored to different membership categories, as well as the specific interests of each member.

The FPA has been in contact with current Associate members to work through the right membership category for them for the coming year – transitioning to either the Practitioner Financial Planner AFP® or Affiliate member category.

In addition to the new membership structure, the FPA has been working on changes to create a more personalised FPA member experience, including upgrading the FPA Member Portal and for CFP® professionals and Practitioner members, matching the member database with the FAR.

“The demand for financial advice has never been stronger. With these changes to the FPA membership categories, I am confident the FPA has the systems and processes in place to meet the evolving needs of our members with clear, simple and valuable services,” says Sarah.

“After speaking with many members this year, I’ve heard loud and clear that through your FPA membership, you’re seeking strong, bold advocacy for our profession. This remains a key focus for the FPA.”

*The FPA congratulates the following members who have been admitted as*  
**CERTIFIED FINANCIAL PLANNER® PROFESSIONALS**



### **NSW**

**Margaret Stewart CFP®**  
Raw Money

**William Johnston CFP®**  
Perpetual Trustee  
Company

### **VIC**

**Sam Dignam CFP®**  
Unisuper

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# ASIC STEPS UP SCRUTINY ON 'FINFLUENCERS'

The FPA has broadly welcomed ASIC's recent steps to address the significant risks posed by financial influencers, commonly known as 'finfluencers', in the consumer market.



Finfluencers can amass huge online followings. However, ASIC Commissioner, Cathie Armour, warns that for those finfluencers who choose to remain unlicensed, and are found to be running a financial services business without having an AFS licence or being an authorised representative of an AFS licensee, they may be in breach of the Corporations Act 2001, which carries significant penalties.

To address this issue about the provision of personal and general advice by finfluencers, ASIC has released an information sheet (INFO 269) for social media influencers who discuss financial products and services online. INFO 269 sets out how financial services laws applies to these finfluencers, to ensure any content posted online complies with the law.

In addition, INFO 269 also applies for AFSIs that use an influencer, including their obligations, as licensees may also be liable for any

misconduct by the influencer.

The information sheet contains a range of issues for influencers to consider, including:

- Do I need an AFS licence?;
- Am I familiar with relevant regulatory guidance?; and
- Have I done my due diligence on people who are paying me (including non-monetary benefits)?

FPA CEO, Sarah Abood, says it is encouraging to see ASIC providing clear guidance on what is legally allowed when discussing financial products and services online.

"ASIC is reminding finfluencers that the law does apply to them and warning them that ASIC will take legal action if necessary," she says. "The FPA has long been concerned about an apparent 'two tier' approach to the regulation of financial advice, where social influencers operating online seem to be

treated differently to financial planners.

"Financial planners are subject to a high degree of oversight and regulation, and consumers can have confidence in the advice they receive from a professionally qualified and registered financial planner. However, none of these protections apply where finfluencers are concerned."

While Sarah acknowledges that finfluencers can play an important role in improving financial literacy and confidence among consumers, they are not legally able to give personal or general advice on financial products. This means that anyone acting on a recommendation from this type of source is essentially on their own if things go wrong.

"ASIC's actions to enforce the law are very important, showing that the risks of online discussion about financial products and services are being taken more seriously," says Sarah.

## COMPLAINTS REPORT JANUARY TO MARCH 2022

<b>Ongoing complaints as of 1 January 2022</b> (Period October - December 2021)	<b>11</b>
<b>New complaints</b>	<b>1</b>
<b>Closed complaints</b>	<b>4</b>
<b>Ongoing complaints as of 31 March 2022</b> (period January to March 2022)	<b>8</b>
<b>Member Suspensions</b>	<b>0</b>
<b>Member Terminations</b>	<b>3</b>
<b>Academic Misconduct</b>	<b>0</b>

### MEMBER SUSPENSIONS

No members were suspended during this period.

### MEMBERSHIP TERMINATIONS

Three members were terminated during this period. One following a ban by ASIC, one following FPA investigation and one following ruling of the Conduct Review Commission.


### ACADEMIC MISCONDUCT

No members were investigated during this period.

### ASSISTANCE AND ENQUIRIES

If there is a specific area of compliance of ethics in financial planning that you would like explored, please contact the team by email at [professionals.standards@fpa.com.au](mailto:professionals.standards@fpa.com.au) or access the Ethic-Call service run by The Ethics Centre at [www.ethic-call.com](http://www.ethic-call.com)





# DAVID SHARPE CFP® APPOINTED FPA CHAIR

After 3.5 years at the helm of the FPA, Marisa Broome CFP® has handed over the Chair to Board member and Deputy Chair, David Sharpe CFP®.

In stepping down, Marisa, who joined the Board in 2015, said the transition to David was the result of a long-term succession plan, adding that he was well placed to build on the membership engagement and advocacy activity of the leadership team.

"I know that I am handing over to a safe and experienced, yet innovative pair of hands with David, as our Association enters a new era with a new CEO and new Chair," Marisa says.

"I have often said that being the FPA Chair has been the greatest privilege of my professional life, and I know David feels the same way. He will build on the strong groundwork that has been laid for real change in our profession, and he brings substantial experience as a practising CFP® professional to the role."

David, who most recently chaired two FPA committees – the Professional Standards and Conduct Committee, and the Regional Chapter Committee – acknowledges Marisa's significant achievements as FPA Chair, adding she has been an "exceptionally passionate representative of the FPA and our profession".

"I will continue to represent the needs of our members and will seek to engage the membership to achieve practical change and respect for our profession. There are a number

of challenges still facing financial planners and I will work to be an advocate for our members and their clients," says David.

As a practitioner, David says he is acutely aware of the frustration caused by excessive red-tape and the over-regulation of financial planning, and the detrimental impact this has on financial planners and their clients. He is conscious that with the growing demand for financial advice, it is imperative to address the regulatory and compliance burdens on the profession, in order to make advice more affordable and accessible to Australians.

"We are the largest professional Association for financial planning in Australia, with over 12,000 members. I hope to engage with our membership base to collectively drive change and ensure financial planning is acknowledged as a respected and vital profession that is guiding the future wellbeing of Australians," he says.

David, who is based in Perth, started his career in financial planning in 2003. He founded Globe Financial Planning in 2009, and became Chair of the Western Australia FPA Chapter in 2014 after acting as treasurer for two years.

David was elected to the FPA Board in 2016.

*To read more about David's vision ahead for the FPA and the profession, go to p12-13.*

“

*I will continue to represent the needs of our members and will seek to engage the membership to achieve practical change and respect for our profession. There are a number of challenges still facing financial planners and I will work to be an advocate for our members and their clients.”*

DAVID SHARPE CFP®  
FPA CHAIR

# YOU SAY / THEY SAY

*As the deadline approaches for super funds to publish their formal strategy to meet the requirements of the Retirement Income Covenant, financial planners and consumers share their insights on planning for a comfortable life in retirement.*

Portfolio allocation plays a vital role in giving clients peace of mind in having a secure income in retirement. Some planners think federal policies could do more to help Australians self-fund their retirement as they reach the end of their working years.

**How are you helping your clients better engage with their super in preparation for retirement or in retirement?**

**PF** “We help our clients engage with their super in two ways. Firstly, we help them to articulate their ideal lifestyle now and in retirement, and then we provide targeted advice that enables them to achieve their goals. This creates a direct link between our clients’ everyday life, their future life, and their financial world. We have a very specific process we use, and it allows our clients to figure out and talk about their own compelling set of motivators.”

**SS** “It’s important as clients reach retirement to prepare them for the ‘mental shift’ of work paying them a salary on an ongoing basis, to them paying themselves a salary for the rest of their lives. Encouraging clients to look at the split of growth and defensive assets whilst in accumulation phase and have them recognise the defensive part of the portfolio isn’t as impacted by market volatility as the growth portion is important. Knowing they can see that the assets providing their next 5-7 years of cashflow are in defensive holdings, brings peace of mind during market movements when in retirement.”

**MA** “An ideal retirement often boils down to a few key elements, like spending time with family, regular travel, and greater flexibility with money. So, we start by asking our clients to picture their ideal retirement. This helps them in two ways: Firstly, staying the course with the strategy, and secondly, focusing on what is truly important to them. We also discuss the retirement benefits of investing in super: saving tax, better travel, flexibility to retire earlier, assisting family, and importantly, financial peace of mind. We also explain to them the benefits of having a plan, and highlight the likely improvement in their super balance we can achieve. We then drill into the additional income they can generate from super – many people are pleasantly surprised with the outcome.”

**What does the perfect retirement income strategy look like for you?**

**PF** “The perfect retirement income strategy for us is one that optimises the financial means of our clients – whatever they might be – and takes advantage of the available strategies to enhance their lifestyle. It’s also vital that we ensure their money lasts, and again, we take the time and care to model this in detail, so there’s a level of confidence and peace of mind to live their ideal life. The final element I’d add here is that it must be flexible. People’s lives

and circumstances change, and there’s no point being stuck with a ‘solution’ that isn’t fit for purpose.”

**SS** “A strategy that sets aside living expenses that are similar to today’s spend (factoring in inflation) in cash and defensive assets to cover 5-7 years of that spend, coupled with funds exposed to growth assets to surpass inflation over time. A portfolio rebalanced often to an agreed asset allocation that supports the client’s cash flow, and a notion that the portfolio mix will change when the client’s situation changes, not when the market does.”

**MA** “A perfect retirement income strategy is being able to fund your lifestyle from a diversified income stream and avoiding the need to sell down assets. This will allow the capital value of the assets to pass to the next generation and avoid running out of money. Typically, an ideal position is owning a family home, ample cash reserves, mix of income producing assets, and a decent superannuation balance providing a generous tax-free income stream – resulting in an excellent retirement lifestyle.”

**What changes, if any, would you like to see the new Government make to super that will improve the retirement outcomes for Australians?**

**PF** “I’d like to see the Government recognising that older Australians have a substantially unfunded





**Peter Foley CFP®**  
Director  
Thirdview



**Shayne Sommer CFP®**  
Private Wealth Adviser  
Shadforth Financial Group



**Michael Abrahamsson CFP®**  
Financial Planner and Director  
Flinders Wealth



retirement. Compulsory super only came into effect in 1992, and it was only 3 per cent. This means that a lot of older Australians have never had the chance to contribute to super and enjoy the tax concessional nature of super in the savings/accumulation phase, let alone the tax-free nature of a self-funded pension. I think this is a situation we could rectify by removing the age-based limits on contributions to super. This may not benefit everyone but there's plenty of people who would live better lives if the Government taxed them less in their retirement.

In addition, I'd like to see contribution caps increased for older Australians, so they could contribute more in their later lives, as they are free of funding their children and their debts are paid off. For example, the Government could allow people in their sixties and above to contribute at double the rate of everyone else, so long as they remain within the current 'transfer balance cap' rules. This would provide more people with financial independence and remove some of the reliance on Government funded Age Pensions."

**SS** "I have a few suggestions for Government. Firstly, minimise the compliance requirements felt by clients – streamline and template client service agreements and platform consent documentation, so that clients can agree to their fee arrangement more simply. The current regime is confusing and an administrative burden to clients and advisers alike.

Secondly, allow financial planners access to myGov records relating to their clients' contribution cap amounts and transfer balance cap figures. These types of changes will enhance the service financial planners can provide their clients, and reduce errors where clients may incorrectly interpret the information available to them via myGov."

**MA**

"We have arguably the best retirement savings scheme in the world that is the envy of many countries. However, those with lower super balances could be provided a higher concessional contribution cap each year. This would provide greater flexibility for those who have spent time out of the workforce, lived overseas or started a business to make up ground, so they can enjoy the benefits of a world-class superannuation system.

## THEY SAY

Our survey captured varied levels of engagement with super among consumers. Proactive approaches include regular monitoring of balances and investments, while some people still find the super system confusing.

### Q1: How engaged are you with your super leading into your retirement?

- Currently, I am only moderately engaged, but it is something I should be more focused on.
- Extremely engaged. I check my

super balance monthly to calculate my monthly net worth, and revise my super investment distribution annually.

- Not very much. I have a long time before I retire, so it's not a priority for me.

### Q2: How are you planning for your retirement?

- I am focused on the following; saving, co-contributions, and tax minimisation.
- Ensuring my super fund and investment allocation changes as my priorities change. Also, investing outside of my super fund, so I can retire earlier if I want to. Spending less than I earn consistently, to ensure I save money and can invest outside of super.
- I have not yet put any plans in place for my retirement.

### Q3: How can the Government better help you prepare for your retirement?

- They can reduce tax.
- The Government needs to put in place better tax incentives.
- I find super confusing. I now have multiple super accounts and I haven't set up any of them.
- Provide better pension rates, offer more superannuation deals (such as deposit matching), reduce inflation, reduce the cost of living, provide better (free) healthcare, support renters, so it's feasible to retire without owning a home.

# SHAPING THE FUTURE

*As the new Chair of the FPA, David Sharpe CFP® outlines the path ahead for the association and the profession.*

I wanted to start this column by acknowledging and paying tribute to my predecessor, Marisa Broome CFP®, who ended her term as FPA Chair last month. In her eight years as an FPA Board member, and in particular her last 3.5 years as Chair, she has worked tirelessly for our association and our profession.



“

*As your new Chair, I promise you that your FPA will be bold, strong and on the front foot to advocate for the repealing of much unnecessary legislation, and simplification of our regulatory and compliance regime.”*

Marisa's unrelenting work ethic, her passion for our profession and her selflessness in supporting everyone she meets is both inspiring, and frankly, a tad daunting as the incoming Chair. She also approached the fallout from the Hayne Royal Commission, the subsequent regulatory tsunami and a COVID pandemic with her typical 'can do' attitude.

Those in Adelaide saw this firsthand when, due to overnight COVID rule changes, she had to run the roadshow out of her hotel room. No fuss, no complaints, just an unrelenting focus to make sure members didn't miss out.

Our association, our members and our profession owe her a debt of gratitude and personally, I am grateful to call her a friend. Thank you, Marisa.

## WHY WE DO, WHAT WE DO?

There are times when you sit across from a client, and you are reminded why it is you chose to become a financial planner. Maybe it's the realisation that clients can retire sooner than they thought, or perhaps the ability to help their adult child buy their first home, or that they know their parents will age with dignity. Because that's why we do this, let's never forget that.

Whether we are the financial planner presenting in an appointment, the paraplanner helping to compile the advice, or the client services officer in charge of making sure advice is implemented correctly – we are a profession that serves our clients' best interests. The satisfaction of delivering for our clients is what drives us.

## WHAT NEXT FOR YOUR FPA?

Our focus as an association has two very clear objectives.

Firstly, to positively and boldly contribute to the two most influential reviews that could turn the dial considerably for our profession – the Quality of Advice Review being delivered in 2022 and the Australian Law Reform Commission review being handed down in 2023. We are working collaboratively with other respected associations to advocate for practical changes that means we, as professionals, can do what we do best; provide more Australians with valuable advice.

Secondly, to reshape the way we engage with our membership. Like many advice practices in the past few years, we are investing resources into improved technology to deliver services relevant to you as a member, and to reduce the clutter of information that is less relevant.

Whether you are a CFP® practitioner wanting to remain at the leading edge, an AFP® who wants to continue their growth as a professional, or as a graduate or affiliate wanting to take the initial strides in their career, your FPA will be providing you with options to personalise your own member experience.

## ADVOCACY

I am often asked who the FPA represents. We unashamedly represent our individual members and their clients. Our motto is: 'Through our members, we stand with Australians for a better financial future.'

I am also often quizzed that you can't have two masters, both advice professionals and clients, but what is good for financial planners delivering advice is good for clients as well.

Client don't want reams of paper masquerading as advice. Clients don't want to have to wait two weeks for a simple piece of advice because





it has to go through a paraplanning and compliance 'tick a box'. Clients don't want to be told half a dozen times how much they are paying their financial planner and only getting confused, sometimes even resulting in them trying to pay twice, or resending a fee consent multiple times to a product provider.

When we tell our story to decision-makers, it is also our client's story, and that makes our message more compelling. We all know clients want to be able to choose how they engage with their planner and get the advice they need in an understandable and timely fashion.

We have found ourselves in a position over the last 20 years where layer upon layer of regulation has added up, which has effectively put advice out of reach for many consumers, or non-commercial for many practitioners to deliver. That's not in our client's best interests, or our members.

I know the last few years have been particularly challenging dealing with wave after wave of regulatory change, not to mention a pandemic. I share the frustration of lodging fee consents (multiple times), or considering the appropriateness of a target market determination (TMD) for my client when it's so broad that having a pulse is about the only qualifying criteria. Or indeed, writing an SOA for a retiree client who came to get advice in order to receive \$150 of SG contributions and needed a new super fund.

Despite all those frustrations, the satisfaction of making a positive change not only in clients' financial lives, but also their overall feeling of security and wellbeing, makes it worth it. I know that our 11,000 members also care about delivering this to their clients.

Whilst discussing advocacy, I also wanted to dispel some myths. It's good fodder by some participants outside of our association to belittle the advocacy work of the FPA.

For instance, one myth I often hear is the FPA is 'in bed' with the big-end of town and the product providers. Having been on the Board, I can tell you our focus on members, both advocacy for and services to, has always been our absolute laser focus. In the almost six years I have been on the Board, not one decision in that time has been made on the basis of "we shouldn't do this because big business won't like it". It has simply not happened.

However, at Board level, we do acknowledge that large licensees are employers of some of our members. So, the impact on our members of decisions the FPA makes, regardless of the size of the AFSL, is always considered. This will continue to be our focus, as we seek to advocate on behalf of our members.

There is also a myth that we are advocating for red tape and compliance. The Board consists of many small business practitioners who sit across from clients, just as you do, and we understand the constraints and the frustrations. I liken advocacy a little to the game of cricket. Sometimes you have to play on the back foot when advocating. Sometimes, it's about making bad legislation less bad.

In recent times, the Design and Distribution Obligations (DDO) fit this scenario. Our position is clear – DDO should not extend to financial planners as another additional obligation. So, the FPA fought to make it less onerous by removing the nil complaint reporting obligations, a task that would have taken advice practices countless

hours every month. This wasn't a fluke, nor was the relief on the ASIC levy. This was a result of ongoing advocacy by your association and the rallying of members, by holding our regulator meetings and advocating passionately.

As your new Chair, I promise you that your FPA will be bold, strong and on the front foot to advocate for the repealing of much unnecessary legislation, and simplification of our regulatory and compliance regime. This won't be achieved by destroying relationships with decision-makers. There's a difference between advocating fiercely, and ranting and raving – only the former is effective in achieving practical change.

We might not get it right every time and we may not always win, but rest assured, we have a seat at the table and we will continue advocating for meaningful change that helps our members and their clients.

## AN EXCITING FUTURE

I want to finish by stating that both as Chair of the FPA and as a CFP® professional, I am excited about the years ahead. We work in the most amazing profession, where we get to add value to our clients every day. It's a profession where we get to build a diverse array of careers that meet our ever-changing social dynamic, and where we get to continue to shape the direction that our profession takes.

To our members, thank you. We appreciate your support, not only with your membership but for the large numbers of you who contribute selflessly to chapters, committees, advocacy surveys or at events.

This is an association of like-minded professionals and together, we are the change for the future.

# PROFESSIONAL YEAR: KEY TO ESTABLISHING PROFESSIONALISM IN FINANCIAL PLANNING

*FPA Head of Education and Professionalism, Anne Palmer, explains the importance of the Professional Year for financial planners and the profession.*

Financial planning has faced significant upheaval and change in recent years, but it is now taking its rightful place among the professions. A client seeking the services of a financial planner can feel confident that they are approaching a qualified and capable practitioner who has completed years of education, meets high professional standards, and complies with rigorous legal requirements.

A key element of this professionalism is the Professional Year (PY). It is more than just a legal requirement but a qualification of its own, marking the transition from a technically skilled but inexperienced graduate, to a qualified professional through a formal process of mentoring and guiding. In essence, it acts as a finishing school to prepare budding financial planners for the real world of work.

In the current environment, when financial planners are responding to very high demands for their services, it may seem a big challenge to be responsible for training a graduate on the job. But in addition to providing a bridge for the emerging generation of financial planners, the PY is also key to furthering trust in our profession.

It is vital for advice practices to take responsibility for training and developing a strong pipeline of new graduates to take up a career in financial planning, especially to address the affordability challenges of accessing advice.

The PY is an invaluable and one-off opportunity for new graduates and career changers to become well-rounded financial planners, skilled at delivering quality, compliant financial

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*Those practices that take advantage of the opportunity to attract, develop and retain the best new talent are the ones that will achieve ongoing success. While PY is still a relatively new process and many are yet to embrace it, there is an opportunity to pick the best of the emerging talent and mould them in your own image.”*

advice – something that is integral to the development of financial planning as a profession.

## FUTURE PROOFING THE PROFESSION

It is concerning that the profession now is roughly half the size of what it was three years ago. At a time of

growing demand for advice, the rate in which financial planner numbers are falling is a huge issue. Fostering and developing a pool of new and diverse talent will help future proof the practice of financial planning.

As well as helping the next generation of financial planners, there are also benefits for existing financial planners.

Those practices that take advantage of the opportunity to attract, develop and retain the best new talent are the ones that will achieve ongoing success. While PY is still a relatively new process and many are yet to embrace it, there is an opportunity to pick the best of the emerging talent and mould them in your own image.

It also creates an opportunity to develop skillsets and abilities within the practice, through training for mentoring and coaching roles.

## BENEFITS OF BEING A PY SUPERVISOR

For the PY supervisor, there are practical benefits from taking part in the PY process. PY candidates can grow the capacity of the business, help with succession planning, free up time for supervisors to spend with clients or running the business, and bring fresh perspectives to the practice.

There are also personal benefits, not least the satisfaction of giving back to the profession, helping someone who is just starting out in the career, and establishing lasting relationships built on trust and shared experience.





### Anne Palmer

Head of Education  
and Professionalism

FPA



Another benefit for supervisors or sponsor firms is that they must develop a structured program with milestones for the PY candidate, meaning they have the opportunity to analyse and articulate the required skillset for a successful planner in their particular practice

The structure of the year also provides increasing levels of autonomy for the candidate, meaning their contribution to growing the business increases over time.

While being a PY supervisor is a significant commitment, it is not overly onerous, or beyond the capabilities of even a one-man band.

The best way to develop a suitable program is to work backwards from what a successful financial planner looks like and then structuring the training accordingly. The goal is to give the candidate the best start in the fundamentals of practice – technical ability, client care, and practice skills, regulatory compliance and consumer protection, professionalism and ethics – and allow them to build from there.

## TOOLS AND RESOURCES TO HELP

To help advice practices act as supervisors, the range of tools available to help manage the experience is growing in range and sophistication.

The FPA has developed a comprehensive PY tool to help licensees, career changers and

students alike simplify and streamline the mandatory documentation processes. The FPA PY tool also offers a tailored PY learning plan, mentoring and coaching resources,

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*The FPA has developed a comprehensive PY tool to help licensees, career changers and students alike simplify and streamline the mandatory documentation processes. The FPA PY tool also offers a tailored PY learning plan, mentoring and coaching resources, and automated certificates upon completion of stages.”*

and automated certificates upon completion of stages.

The FPA PY Tool acts as a workflow tool for creating and tracking a learning plan for PY candidates. The platform offers licensee, supervisor, and candidate views of each step on the PY pathway, including the adviser exam, structured and unstructured training

elements, and the resolution of ethical dilemmas.

A completion certificate is created automatically when a supervisor confirms all stages are complete for each quarter. PY tool users – both supervisors and provisional planners – will also have access to a range of resources to support the mentoring and coaching aspect of this learning experience.

The FPA has recently upgraded the tool to include new features such as:

- The ability for a candidate to upload external CPD they have completed, allowing them to keep a track of the structured learning they have completed, either via the resources the FPA offers or externally. Unstructured learning hours can also be tracked.
- Automated notifications to supervisors every time there is an activity for them to review.
- The ability to audit the client files required before they sign off on the final quarter.
- Functionality for individual organisation's to create their own templates.
- Licensees can access data and information in real time for compliance purposes and make changes, even after the supervisor has signed off, and run reports and check completed hours.

*To find out more about the PY tool, contact the FPA Education team at [education@fpa.com.au](mailto:education@fpa.com.au).*



# *A personal approach to injury*

For almost 20 years, Jane Campbell CFP® has focused on providing financial advice to severely injured people and their families. During that time, she has built a thriving and highly specialised business. Jayson Forrest spent some time talking to her.



What would motivate a successful lawyer to switch careers and focus on improving the financial outcomes for severely injured people and their families? Well, you need go no further than ask Jane Campbell CFP®.

As the principal of Aeran – an independent, best practice provider of financial advice that focuses on advising families where a family member has a disability – Jane’s empathy and culture of caring for clients is reflected in everything the team at Aeran does.

But to understand what inspired Jane to specialise in helping injured people, we first need to wind back the clock to the late eighties, when she was studying law/commerce at the University of Melbourne. It was during this time that Jane worked for an insurance company in workers’ compensation.

After completing her degrees and working as a lawyer for insurance companies in insurance litigation, Jane realised she instead wanted to focus on helping to improve the financial outcomes of injured people and their families.

“This led me to spend a year in the U.S. working with a specialist compensation company, which offered clients the option of a structured settlement – an annuity – or a lump sum amount. I thought that was a good approach to compensation,” Jane says.

On her return to Australia, Jane lobbied the Australian Government for six years to improve the tax treatment of compensation payments, by providing injured people with more choice and certainty around their payments. The lobbying paid off, with Jane ultimately successful in making structured settlement annuities entirely tax-free for injured people.

“It was during this time I made the decision to transition into financial advice, because that’s where I believed I could make the biggest difference in improving the lives of injured people with permanent disabilities and their families post settlement. I wanted to focus on this cohort who were in desperate need of help, understanding and support.”

Since 2003, Jane has focused on financial advice for injured people, including as national manager for an advice business owned by one of Australia’s largest financial services companies. With the benefit of this experience, Jane realised that the best way she could help injured people was to provide fully independent and

highly personalised financial advice with the best possible client service. This led her to establish her current business – Aeran – in 2015.

“I needed to be independent because when meeting with a distressed family that has an extremely disabled family member, they want reassurance that I am only acting for them and their best interests, not for a large financial institution.”

Today, Jane continues to work with clients from her Sydney-based office, most of whom are considered to be at the ‘catastrophic’ end of the personal injury spectrum and will never work again.

### A SPECIALISED PROCESS

With a staff of 20, the advice team at Aeran consists of five financial planners who are all specialists in personal injury financial advice – as Jane says, “That’s all we do”.

Sitting at the heart of what the business does is ensuring the best long-term outcomes for its clients and their families. This means always putting the injured client first when interacting with all the relevant stakeholders following the compensation claim.

Jane explains: “When an injured client receives a settlement, but they don’t have the capacity to manage that settlement because they may be a child or have a brain injury, then there are a lot of stakeholders we need to work with. This includes family members of the injured person, lawyers, trustee companies, Government bodies, the NDIS, doctors, and the case manager.

“We need to be conscious of the needs of all these stakeholders, while keeping our eye firmly fixed on the client and their best interests. It’s a complex environment.”

As part of the process of working with clients, Jane adds that Aeran often does a lot of pre work with the injured person and their family before they actually become a client. This process typically starts with Aeran being contacted by the lawyers when they have a case that is soon going to be resolved. The family may have a lot of questions about how things will work post settlement. Their lawyer may also need help from Aeran well before the matter actually settles.

“We provide a lot of help to lawyers, including preparing reports for them about the cost of having the money managed post settlement. That particular report is used by the



**JANE CAMPBELL CFP®**

**AERAN**

**POSITION:** PRINCIPAL  
**LICENSEE:** AERAN  
**YEARS AS A FINANCIAL PLANNER:** 18 YEARS

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*Then when the case settles, some view a lump sum a bit like winning the lottery, as it seems like a lot of money. It can be a challenging time. While the settlement is a relief, the reality is that the injured person remains disabled and nothing can make up for that.”*

lawyers as part of the legal claim. We sometimes also help them with court documents, as well as educating them more broadly on the 'system' and options for their clients post settlement," says Jane.

Referring to the 'system', Jane adds that many people, like the parents of an injured child, may believe that when the compensation matter claims, they will get the money to manage. "But this is not the case," she says. "So, we have to explain the protective system, involving courts, Government bodies and trustees."

This 'system' of legal checks and balances makes it even more essential for the team at Aeran to remain diligent with their advice process and record-keeping.

"We have fine-tuned our process, so that as soon as we get the initial contact from the lawyer or family member, we can follow up and assist them. We often meet with the family before settlement to explain to them the system and special rules around personal injury compensation," she says.

"The internal systems we have built are similar to a conveyor belt. This enables us to diligently follow up all the stages of the legal process, while working closely with the client and the various stakeholders."

## A DIFFERENT APPROACH TO SOAS

And how does Aeran handle the Statement of Advice (SOA)? Does the SOA process differ for clients with severe personal injury

and disability?

"Yes, for clients without financial capacity it's a different process to the traditional SOA," says Jane. "Our SOA is addressed to the court-appointed substitute decision-maker, which is usually a trustee company, and they review it. From there, the SOA may be sent to a Government body, like the NSW Trustee and Guardian, where the advice is reviewed again. Once the SOA is approved by these stakeholders, are we then able to implement the advice?"

According to Jane, under trustee law in Australia, advice must be written every year, within the year. "There is a big checklist under trustee law that we must comply with, as we review the advice annually. In addition, the advice must be written, so we can't provide video SOAs."

Jane adds that while the family is technically not the financial decision-maker regarding the compensation funds, they know best what their loved one needs. "We liaise closely with them to ensure they are fully engaged in the advice process. Aeran's planners present and explain the SOA to the family. The SOA is made as client-friendly as possible, and the family is talked through the advice and projections."

While it's important for Jane to help her clients navigate the complex legal environment surrounding personal injury compensation through education, she also enjoys educating the legal fraternity about financial management.

"The lawyers we deal with are personal injury lawyers. While they know how to run a claim and prove liability and damages, they are not necessarily familiar with all the legal and financial options available to their client post settlement," Jane says.

"These options include: whether the appointment of the substitute financial decision-maker should be made through the court or a tribunal; whether the client needs a trustee company to manage the funds or whether a family member can be appointed into the role; and whether to go with the Government trustee or a private option. We also cover the pros and cons of the different options."

"We take the time to explain all this to both the lawyers and family. This helps them to better understand all the nuances around decision-making and managing money for a severely injured person."

## IT'S LIKE WINNING THE LOTTERY

Juggling the demands of two teenage boys, as well as running a very successful business, Jane admits to being a little stretched at times. But she remains grounded by ensuring she stays fit and active. This includes walking, both before and after work, as well as regularly attending the gym.

"I love to exercise," she says. "For me, exercise is also about my mental wellbeing. I go for a walk in the morning, which helps to prepare me for the day ahead and the long hours spent at the office, and then I'll end the day with another walk to help me switch off."

Her interests outside of the office also extend to community volunteering. Most recently, that included helping out a local candidate in the Federal election. As she says: "I like to take an interest in politics because, as a country, we want good laws and good people making policy."

However, despite these activities, she admits her thoughts are never too far away from her clients, and the unique challenges they and their families face. For many of them, the greatest challenge is never working again, meaning with no future employment income, the lump sum payment they receive will need to see them out for the rest of their lives.

"Often until the case settles, there can be a lot of financial stress on the injured person and their family. Then when the case settles, some view a lump sum a bit like winning the lottery, as it seems like a lot of money. It can be a challenging time. While the settlement is a relief, the reality is that the injured person remains disabled and nothing can make up for that," says Jane.

She adds that typically, clients want to use their payout to buy a house. She needs to explain the trade-off between this large expense and the annual budget for the rest of their life. Jane acknowledges that it's a hard conversation to have, because most people want the security of owning a home. Most people focus on the present and struggle to think about the future.

"We need to explain that after buying a house life goes on and they will need the money to maintain the house and themselves, including ongoing medical, care and therapy needs and equipment, which we build into our advice modelling."

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*I needed to be independent because when meeting with a distressed family that has an extremely disabled family member, they want reassurance that I am only acting for them and their best interests, not for a large financial institution.”*





“We help our clients by regularly sitting down and talking with them. We explain our financial advice to help make clear that we understand their challenges now and into the future. It’s an ongoing and subtle process of education and support.”

## STAYING REAL AND GROUNDED

While Jane is upbeat about the way in which the financial planning profession is changing and adapting to service the increasingly diverse needs of Australians, she accepts the profession still needs to come to terms with the fallout from the Hayne Royal Commission.

However, once the dust settles, she is excited by the prospect of working in a profession made up of highly educated, holistic financial planners who, by focusing on the needs and goals of their clients, are able to provide real value to their clients.

But she adds that planners can only service the increasingly diverse needs of Australians if advice becomes more affordable, which remains a challenge for the profession and Government.

“By making advice affordable, you make it accessible to more Australians,” Jane says “There are vast numbers of Australians with significant disabilities. Sadly, disability is usually associated with poverty. I only see a fraction of these people, so there is a lot of work that needs to be done to ensure that people who need the help of a planner can actually afford to get that help.”

However, the decision to specialise in working with injured people and their families is something that Jane has never regretted making. In fact, she credits her clients for helping to develop her as a person and as an advice professional.

“We are truly grateful and humbled to be working with our clients. We see up close the hard work and dedication of families caring for a loved one. We are inspired by them and recognise the significance of the trust they have placed with us. Doing all we can to serve our clients means tailoring our systems and processes within the business to better meet their needs,” she says.

“Our clients keep us real and grounded. They have been through tremendous hardships and challenges, and the settlement does not take this away. As a professional, you want to go the extra distance to help your clients live their best lives.”

Jane also believes that by specialising in personal injury financial advice has helped Aeran attract quality, like-minded staff who want to work in a business that has meaning and purpose.

She explains: “I think that people want to do something meaningful with their lives. They want to work knowing that what they do, really matters. Our team members know they are making a difference and the work they are doing has purpose and is genuinely helping people, rather than just helping a business’s bottom line. That means we have team members who are happy and fully engaged with what they are doing.”

## GET PASSIONATE ABOUT SOMETHING

As a specialist advice business working to improve the financial outcomes for injured people and their families, the team at Aeran are seriously chalking up some runs on the board. And when it comes to working in niche market sectors, Jane really knows a thing or two. For other practitioners or

practices wanting to work with niche sectors, she offers the following advice.

“As a practitioner, you need to work out what your interests are and what you’re truly passionate about. Today, there are so many planners joining the profession from a variety of sectors, like nursing and teaching. So, for a former nurse, maybe nursing could be a niche for them, because they know the nursing world and how they can best help nurses with their financial needs,” she says.

“There are so many niches, so don’t be afraid to target a niche that you’re particularly passionate about. If you can gain some experience in that niche and really understand that world, then you can build upon that and become a specialist in it. You’ll soon be sought after based on your deep knowledge of the niche. The hardest part is taking that first step to a career that will be long and enjoyable.”

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*Our clients keep us real and grounded. They have been through tremendous hardships and challenges, and the settlement does not take this away. As a professional, you want to go the extra distance to help your clients live their best lives.”*

# AN ENLIGHTENED APPROACH

*James Wortley CFP® is loud and proud when it comes to business innovation. He talks to Jayson Forrest about what it means to be at the forefront of innovation, including using video SOAs at his advice business, Enlightened Financial Solutions.*



**JAMES WORTLEY CFP®**

**ENLIGHTENED FINANCIAL SOLUTIONS**

**ESTABLISHED:** 1 APRIL, 2007

**LICENSEE:**  
ENLIGHTENED FINANCIAL SOLUTIONS

**NO. OF FINANCIAL PLANNERS:** 6

**NO. OF STAFF:** 16

**FPA PROFESSIONAL PRACTICE:** 31 JULY, 2012

Situated in Mackay – the gateway to the Whitsundays – Enlightened Financial Solutions (EFS) is turning a few heads, and not just because of the way it does business, but also through how it uses technology and innovation in the delivery of advice.

With a team of 16, EFS is a holistic financial advice business that is primarily focused on providing financial planning services to pre-retirees and retirees. According to the CEO and Founder of EFS, James Wortley CFP®, the business provides advice by utilising the values-based ideology of the Lumiant platform – a technology which EFS co-founded.

“Lumiant is a cloud-based client experience and advice delivery platform that helps financial professionals better understand their clients and empower them to make improved decisions,” says James. “The technology allows us to identify what really matters to our clients’ lives, which enables us to shape strategies that realise their priorities and goals, while driving behavioural change for them to live an extraordinary life.”

As a business, EFS currently manages 405 client connections, where it charges a fee-for-service based on the services used and advice complexity. “There are no upfront costs and clients are charged on a monthly retainer, which is reviewed each year,” says James. “The average ongoing advice fee at EFS is \$7,500 per annum.”

## VIDEO SOAS

Being a finalist in the 2021 and 2016 FPA Professional Practice of the Year Award, confirms that EFS is ticking all the right boxes when it comes to best practice. But there are a number of other factors around the delivery

of advice that clearly differentiates this business from other practices, particularly in relation to its focus on the client experience as part of its value proposition.

“When we started EFS back in 2007, we decided to focus less on business efficiencies and more on the client experience. This became the foundation on which we built our business,” says James. “We provide advice to clients that is simple and concise, so they can easily understand it.”

The key to providing advice that is simple and concise is provided through scaled advice that is delivered via a video Statement of Advice (SOA). EFS developed its video SOA over four years ago, and James believes EFS is still only one of a few advice businesses in the country to use a video SOA.

He explains: “When we became self-licensed towards the end of 2017, one of the things I wanted to change was the way in which we provided advice to clients in the SOA. Even today, about 95 per cent of financial advice businesses are still providing SOA documents that are up to 100 pages long. These documents are never easy to understand and often contain projections that are outdated by the time you present the advice to clients. These voluminous SOAs were always a source of irritation for me but still, financial advice businesses were charging up to \$10,000 for them.

“However, from our perspective, it was all about client understanding and putting clients at the forefront of our advice process. So, for us, video SOAs just seemed to make a lot more sense. We could do a video, where we talk to our clients about what we’re providing the advice on, and then send the video to them to watch at their leisure.





“By doing so, when they came back into the office or contacted us, we didn’t need to go through the advice again. Instead, it’s simply a matter of ascertaining whether the client understood the advice. And if they did and they agreed with the advice, it was then simply a matter of obtaining the client’s consent, doing the paperwork, and begin implementing the advice.”

James adds that because the advice in the video SOA is scaled, it’s relatively straightforward, meaning that it can be covered in a 3-5 minute video, which is convenient and easily digestible for clients. Since rolling out its video SOAs four years ago, EFS has improved its business efficiency, while significantly improving the client’s understanding of the advice being recommended.

“Clients love the video SOA,” he says. “We’ve had CoreData conduct some interviews with our clients concerning the video SOA, and it has been an overwhelming positive response by clients. The feedback we’re receiving from clients is they can clearly understand the advice now, whereas before, they couldn’t with the larger, more traditional documents.”

To create its video SOAs, EFS uses OBS Studio – a free and open source software for video recording and live streaming. The software is downloaded onto the laptops of each financial planner at EFS.

“By using this software, we can include a Powerpoint presentation, as well as additional information, like projections, which will assist clients understand the advice,” James says. “It’s a short, sharp presentation that covers all the relevant details clients need from a compliance perspective. Importantly, it’s a video presentation that resonates with our clients.”

While EFS did consider other video software, like Loom, it decided to go with OBS Studio as the video could be automatically downloaded to the planner’s laptop, not the Cloud, providing the team at EFS with full control of the client’s data.

James also applauds the FPA’s SOAP (Statement of Advice Production) Box series of videos, which have been specifically designed to assist financial planners better understand the opportunities of using video as a more efficient and engaging way to deliver SOAs to clients.

## POINTS OF DIFFERENCE

Another aspect of differentiation at EFS is the frequency at which its advice team meets. According to James, the advice team meets every week to analyse the best financial advice strategies for EFS’s clients. At the meeting, a team of nine review, consider and debate the best advice for clients.

As part of delivering financial advice, EFS also actively consults with accountants and other aligned professional partners, where it seeks their opinions to ensure that all partners are working in alignment for the best interests of the client.

But scratch the surface a little deeper and James attributes the continuing success of EFS to three things: client engagement; client value of the services provided; and client willingness to pay for those services.

“Clients need to see that their planner is always acting in their best interests, which builds enormous trust in the advice process,” says James. “A successful business is at the forefront of innovation, but also understands how to win the client value equation. This

means increasing the value to clients, while reducing the cost to serve.

“Our client engagement goes above and beyond what clients expect. For example, we provide a Centrelink service, where we update a client’s details on their behalf, which means they don’t have to deal directly with Centrelink. By going above and beyond a client’s expectations enhances your value proposition.”

James also credits EFS’s success to delivering on its business strategy, which starts with improving the overall financial health and wellbeing of its clients. He adds that using the Lumiant platform allows his team to better understand their clients’ values, which strengthens the planner/client relationship.

“Everything always comes back to the client,” says James. “As a business, if we are doing everything we can

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*Clients love the video SOA. We’ve had CoreData conduct some interviews with our clients concerning the video SOA, and it has been an overwhelming positive response by clients.”*



for our clients to provide them with an unbelievable experience, then everything else takes care of itself. I believe that's what defines our success as a financial planning business."

## BUSINESS INNOVATION

James is understandably loud and proud when it comes to innovation, and he believes the key for any successful business is to be at the forefront of innovation.

Business innovation remains an essential part of the EFS business. One of the big calls James made was to cut investment commissions back in 2010, instead, moving to a flat-based advice fee structure. He says, at the time, there weren't too many advice businesses doing that, which raised a few eyebrows.

Sitting alongside EFS's recent innovations, like its video SOAs and

co-founding the Lumiant platform, the business has just implemented a nine-day fortnight for its team. The reason, says James, is business growth.

"Irrespective of COVID, our business is just getting busier, with many new clients coming through the door. Over the last three years, we've been growing at between 20-30 per cent. So, it was important for us to implement this nine-day fortnight, to ensure our team gets regular breaks to spend time with their families and friends. As you'd expect, it's a change that has been unanimously supported by all."

## BUILDING EFFICIENCIES

Like many advice businesses, James admits that technology and choosing the right technology solutions, is an area that EFS continues to refine and work on.

"There's some great technology available in the market, but there is not one technology solution that does it all for an advice business," says James. "Our tech stack starts with Salesforce as our CRM. And because we understand that technology is constantly evolving, we wanted a technology solution that gives us control of our data and provides us with an open API, so we can move data in and out of any future software application or technology solution. Salesforce provides that."

According to James, Salesforce gives EFS control of the data - not a third-party - making it easily customisable for the business.

"By using technologies with an open API, we're able to build efficiencies within the business. For example, we're using Lumiant, AstuteWheel, and Salesforce together, and we're

now starting to see some really good efficiencies in the business, like updating information once, instead of having to duplicate or triplicate it."

## THE 'NEW NORMAL'

Being located in Queensland, EFS was largely untouched by the COVID pandemic, but there were still some important lessons the team learnt from this period, which it has refined as part of the 'new normal' of doing business.

"We only had about seven weeks where we needed to work from home, but during this period, we continued all our meetings through Zoom. For us, remote working was relatively seamless. As a business, remote working has given us the flexibility to work from home when required, and it has also allowed us to transition to more flexible working hours."

James adds that the uptake of digital meetings has been hugely successful for the business, with EFS's clients actually preferring digital meetings. "So, that's something we will be definitely continuing with in the business."

EFS has also turned to Calendly for the scheduling of online bookings and meetings, which has helped to improve the efficiency of the business.

"By using technology in this way, including our video SOAs, it demonstrates that we value our clients' time," James says. "COVID made us re-evaluated everything we do from a client's perspective, like whether clients actually need to come into the office for a meeting.

"As a business, we believe in constant communication. We're always talking to our clients, whether that's through the Lumiant portal, meetings or reviews.

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*As a business, if we are doing everything we can for our clients to provide them with an unbelievable experience, then everything else takes care of itself. I believe that's what defines our success as a financial planning business.”*



By doing so, we have a much deeper understanding of what our clients want in their relationship with us. This has enabled us to provide a much more streamlined service for our clients."

Interestingly, this client feedback is also telling James that advice will progressively move away from designated meetings to an ongoing service through video and client communication portals. He even believes email will slowly be replaced by this next iteration of client communication.

## IDENTIFY OPPORTUNITIES

While James acknowledges there remains a number of challenges for the profession over the next 5-10 years, including constantly evolving technology and developing the next generation of financial planners, he remains buoyed by the opportunities for the profession.

"I love looking at opportunities and one of these are the baby boomers," he says. "There will be a lot more baby boomers looking to retire over the next 5-10 years than we have seen to date. And when it comes to advice, these baby boomers have complex needs, including estate planning issues to consider. They certainly have a lot more wealth to invest. The opportunities for the profession with

baby boomer clients is not going to stop anytime soon."

And while most financial advice businesses are already very busy, James believes they are only going to get busier. To offset this, EFS has always anticipated the increased demand for its services by bringing on new financial planners before they are actually needed. By doing so, James says the business is able to provide these recruits with the training needed in how EFS provides advice to its clients.

"As these practitioners familiarise themselves with how we do business at EFS, they're able to pick up the slack with any new clients coming through, rather than us having to scramble to find new planners. It's an approach that works for us."

James believes another opportunity for financial planners is the advice industry moving to become a fully recognised profession. He believes an important step in becoming a profession is moving from percentage-based fees on investments, to a fee-for-service model for all financial advice businesses.

"I'd love to see the entire profession actually charge direct client fees and not charge out of products. That would finally break the product mentality that unfortunately, the financial advice industry still has today. But it's good to

see remuneration structures beginning to change."

And what about life coaching? Is that another opportunity for practitioners?

"Absolutely," says James. "There are great opportunities for planners who move to life coaching, including building accountabilities for their clients who need help in living their best lives. Whether in sport, business or life, a coach can improve you and make you better at what you do. A coach makes you accountable for your actions, but also provides you with the tools to help you become better at what you're doing. That's a huge opportunity in the advice profession."

He adamantly believes that it's not just investments and wealth strategies that planners are providing advice on – "it's everything we can do to help clients live their best lives".

"Just remember, financial planning is all about the client," says James. "If we are doing everything that we can for our clients to provide them with an unbelievable experience, then everything else takes care of itself."

*For more information on becoming an FPA Professional Practice, go to: [fpa.com.au/professional-practice](http://fpa.com.au/professional-practice) or call 1300 337 301.*

# SOAP BOX ADDRESSES VIDEO SOAS

The FPA has released SOAP (Statement of Advice Production) Box – a new video series designed to help financial planners understand the opportunities of using video as a more efficient and engaging way to deliver SOAs for clients.

An SOA isn't a legal contract, but this is how they have generally been treated by the profession. An unintended consequence of this has resulted in the lengthy 80-100 page documents we still see today. However, with changes in technology, there is no reason to limit SOAs to a printed document. Current legislation also allows SOAs to be provided as any kind of content, including graphic, audio, and video.

According to FPA Head of Policy, Strategy and Innovation, Ben Marshan CFP®, for some time practitioners have told the FPA that producing SOAs is their biggest administrative burden.

"In our Future of the SOA report, we introduced the idea of using video and graphics to standardise parts of the SOA to save time and resources. In exploring this initial idea, we've taken another step towards efficiency with the concept of simply recording planners delivering advice as a conversation with a client, instead of producing a written SOA," says Ben.

The SOAP Box video series addresses a range of topical questions, including:

- Can a recording (video or audio) of the client advice conversation be considered a record of a planner stating their advice?
- If the conversation covers the requirements of RG175D (preparing and providing the SOA), can this recording be considered providing the SOA to the client?
- Can you have a zero page SOA?

- How can planners implement this in their advice process?
- What issues will existing stakeholders (PI insurers, regulators, legal, licensing and compliance, product providers) have to overcome to allow this to achieve change in how advice is provided
- How can video SOAs improve affordability of advice and lift efficiency for planners?
- How can planners securely record, store and send video files to clients?

The video series is designed, not just to challenge the status quo with how SOAs are produced and delivered, but to completely transform the way financial product advice is provided to retail clients, within the current legislative and regulatory guidance.

*To access the SOAP Box video series, go to: [portal.fpa.com.au](http://portal.fpa.com.au)*

# DIVERSITY: THE SPICE OF LIFE

*As financial planners and advice practices evolve and adapt to service the increasingly diverse and multicultural needs of Australians, three CFP® professionals share their insights on how their businesses are responding. Jayson Forrest reports.*

Australia has a rich history of cultural diversity. Home to approximately 26 million residents, one-third (33.3 per cent) of us were born overseas, with more than 1-in-3 speaking a language other than English. We are an island nation of more than 250 nationalities.

But statistics aside, cultural diversity hasn't come without its challenges, particularly when you factor in other aspects of diversity – such as gender, age, sexuality, ethnicity, religion, and disability – which all bring unique sets of challenges, particularly with respect to the financial needs of Australians.

No longer can advice professionals deliver templated or 'cookie cutter' advice. Consumer expectations have changed, as they increasingly expect their diverse and highly personalised needs to be reflected in their financial

planning advice. It's a view supported by Dawn Thomas CFP® – a Private Wealth Adviser at Integro.

"One of the beautiful things we are currently seeing with financial planners is their increasing confidence with their own style and versions of advice," says Dawn. "This is allowing clients to see a much broader range of different types of planners they can connect with, providing clients with the ability to find a practitioner who best suits them and their individual needs."

Dawn believes financial advice is at its best when a planner and client can connect with each other on a personal and professional level.

"So, as more planners becoming loud and proud about who they are and how they differ from their peers, they will be able to find those cohorts of clients who have been reluctant to seek advice because they haven't been understood before."

## MULTICULTURAL CHALLENGES

For Hari Maragos CFP® – Principal, Senior Financial Adviser and Mortgage Broker at Victoria Wealth Management – the extent to which the profession is adapting to service the increasingly diverse needs of Australians is a topic he has long thought about, and one that he feels the profession has yet to fully address.

"People tend to think about diversity and equality from a gender perspective only. But what we forget is that Australia has been a cultural melting pot for 80 years. One of the great things about Australia is its multicultural diversity. But when it comes to financial planning, clients with a multicultural background, where

English is their second language (if at all), I feel these clients are unconsciously being excluded from the advice process," says Hari.

"As a profession, we have been very one-dimensional in the provision of advice, particularly for clients with different cultural backgrounds. That's because information, whether it's an SOA or a PDS, is delivered in English to satisfy compliance and governance requirements. But what happens if your understanding of English isn't good?"

Hari admits that when he deals with some of his clients, he might speak with them in Greek and record the conversation. However, in doing so, he acknowledges there are compliance and governance issues. How does his compliance team know that what he is saying to clients in Greek is appropriate and correct for them?

"But when a person from a multicultural background sees a lawyer, one of the first things the lawyer will ask is whether they need an interpreter. However, the financial planning profession has never insisted on having an independent interpreter in these types of client meetings. Instead, we rely on family and friends to interpret. This raises the issue of informed consent," says Hari.

He explains: "Even with an interpreter, languages have their nuances, which are often lost in translation. So, how can we know what the client's goals and objectives are if we haven't achieved informed consent? It's our responsibility, as financial planners, to be able to explain things to clients in a way they fully understand. I believe this is a challenge the profession needs to address."

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*I love seeing those lightbulb moments when you really connect with someone, and they feel they have understood something they previously didn't think they were capable of understanding.”*

| DAWN THOMAS CFP®



**Dawn Thomas CFP®**

Private Wealth Adviser  
Integro

**Hari Maragos CFP®**

Principal, Senior Financial Adviser and Mortgage Broker  
Victoria Wealth Management

**Sheila Cabacungan CFP®**

Principal Financial Planner and Owner  
Wealth Forum

**INCLUSIVITY IN THE ADVICE PROCESS**

Working within a culturally diverse society amplifies the need for financial inclusivity in the advice process. Dawn is adamant that no group in society can be underestimated or marginalised in seeking advice. As an advocate of women, she highlights single women in retirement as being the fastest growing demographic of poverty and homelessness in society.

“Women are particularly vulnerable at retirement. Worryingly, one woman is killed every week in Australia as a result of partner violence. And economic abuse is a common component of domestic abuse situations, which can limit a woman’s ability to leave an abusive relationship,” says Dawn.

And while the profession’s Code of Ethics requires all financial planners to consider the broader impact of a client’s circumstances, Dawn concedes it can become a tricky undertaking when one of the clients in a couple feels intimidated to speak freely in the presence of their partner.

“That’s where a planner’s skillset comes to the fore. You need to pick up on body cues. So, if you’re not able to get the information you need from the client or are not satisfied by the quality of the information you are receiving, then you shouldn’t hesitate to meet with the client separately,” she says.

“Of course, if we feel that we cannot get both clients’ input or participation into the advice process, then we inform them that we cannot do the advice on behalf of them both. It can be a delicate conversation to have, as you don’t

want to cross a barrier with a client that’s too personal for them. But we need our clients to be transparent with us.”

Dawn acknowledges this is an aspect of financial planning she is still learning to master.

However, when discussing financial inclusivity from a multicultural perspective, Hari questions the “cultural competency” of planners. He refers to FASEA Standard 10 which imposes, as an ethical duty, a requirement by planners to develop and maintain a high level of relevant knowledge and skills.

“As professionals, we have the technical knowledge, but do we have the cultural knowledge and awareness to be able to communicate with clients?”

He references research from Monash University, which has verified that questioning techniques used by lawyers and doctors have their roots set in 800 years of Anglo-Western culture. These questioning techniques ignore cultural diversity, language barriers, ethnicity and religious differences.

“This means that unless you can fluently speak and understand the nuances of your client’s language, what your client is actually telling you can be misinterpreted or lost in translation. So, how can we, as financial planners, ensure we have reached informed consent?” asks Hari.

**DIVERSITY AND FINANCIAL WELLBEING**

Getting an increasingly diverse client base to engage with their financial wellbeing is challenging, with financial literacy the key to overcoming this hurdle, says Sheila Cabacungan CFP® – Principal

Financial Planner and Owner of Wealth Forum.

For Sheila, financial wellbeing is all about accessibility to affordable advice and improved financial literacy. She questions why a person in this country spends more time learning how to drive a car than on how to budget and save.

Dawn agrees: “People often feel they are not financially savvy, so they automatically switch off to anything financial. Just look at superannuation, which is quite complex. Even the Productivity Commission has reported that many Australians have disengaged with their super.”

However, Dawn believes a strength of financial planners is their communication skills. This means adapting their way and style of communicating to individual clients.

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*As financial planners, we can demonstrate the value of advice through financial literacy. It’s about helping Australians to save, budget, and spend within their financial means.”*

| SHEILA CABACUNGAN CFP®

For example, when Dawn conducts presentations for women, she does this in a 'safe' environment, where there are no silly questions or prejudgements made.

"You need to be able to communicate to clients in a way that is digestible for them. Even if a client understands one or two points you're making, they feel empowered and more confident about learning more. That's really important," she says. "I love seeing those lightbulb moments when you really connect with someone, and they feel they have understood something they previously didn't think they were capable of understanding."

As a profession, Dawn believes we are guilty of leaning too heavily on traditional ways of communication through PowerPoint presentations, complex charts and data filled tables. "I think we're guilty of not necessarily considering the person in front of us who might need that information conveyed to them differently."

It's a view supported by Sheila. "Financial literacy is a life skill. The world revolves around money. Consumers need to know how the world works and their place in it. However, with the rise in inflation and interest rates, regrettably, houses are going to be put up for sale. That's because too many consumers don't know how to deal with a rising inflationary and interest rate environment."

"As financial planners, we can demonstrate the value of advice through financial literacy. It's about helping Australians to save, budget, and spend within their financial means."

As an advocate of cultural respect and inclusion, Hari admits that it can

be challenging to get a culturally diverse client base engaged with their financial wellbeing. However, he believes the key is overcoming language and cultural barriers.

"There is a lot of information available in the marketplace about building wealth. The problem is, that information is in English," he says. "Perhaps there needs to be a discussion about having all that information translated into the languages that make up today's modern Australia. This would mean financial planning could reach a greater proportion of the Australian population, who might currently be disengaged because of language and culture."

## ADAPTING TO CHANGE

When working with its diverse client base, Perth-based Integro uses a 'who-is-the-best-planner-for-the-client' approach. This means it's not uncommon for two financial planners to attend a client meeting to determine which planner is best suited to the client or whether, in fact, both planners are needed.

"We have a very flexible approach to our planner/client relationships at Integro," says Dawn. "Clients know they could be dealing with one or more planners as part of the relationship. It also provides the business with the opportunity to see which practitioner fits more comfortably with the client. We never hesitate to pass on a client to a colleague within the business who is better suited for that particular client."

Dawn is delighted to see this planner/client matchmaking approach increasingly happening across the wider profession. She cites three external planners who have referred clients to her over the last 12 months, because they felt she was better suited to their clients' personality and specific needs.

At Wealth Forum, Sheila has expanded her skillsets to accommodate the increasingly diverse needs of her clients.

"The technical skill of being a financial planner now comes with a lot more behavioural finance and people skills," she says. "The six-step financial planning process is only part of what I do now. Instead, it's more about the behavioural side of financial planning – like financial counselling and life coaching – that I'm spending more of my time working with clients on."

Adding to her string of qualifications, Sheila has completed a mental health qualification. She did so to enable her

to better deal with distressed clients during the COVID pandemic.

"Throughout COVID, many of my clients couldn't make good decisions about their money without first dealing with what was going on in their heads and hearts. For these clients, it wasn't just the physical threat of COVID, but also the threat of making the wrong decision, which could result in them losing their business or house, and having to let staff go," she says.

"So, the skillsets of planners are changing and need to change, so we can better look after the financial and emotional needs of our clients."

Sheila has also had to change the way she acquires clients. She participates in two radio programs each week, in addition to her educational speaking gigs with community, small business and women's groups.

However, Sheila concedes her community engagement approach is taking her a lot longer to acquire new clients. "That's because you really have to do the work to demonstrate the value of an advice relationship. But when people do sign up, you've got clients for the long-term and who value the advice process."

Like many other advice businesses, Hari admits that Victoria Wealth Management is "struggling" to adapt to working more closely with a multicultural and diverse client base. It is struggling in the sense that it cannot deliver advice information to clients, such as in an SOA, in any language other than English, due to compliance and governance requirements.

"So, while I can have a conversation with somebody about advice in Greek, how do I then evidence that advice to show it fulfils all my duties and responsibilities as a planner? It has to be translated into English, but you run the risk of missing the cultural and language nuances of what's being said," Hari says.

"In an era of informed consent, from a cultural competency perspective, how are we making sure we are even asking our clients the right questions? It's a challenge for all advice businesses."

## WORKPLACE DIVERSITY

While catering for the diverse needs of their client base, how do these advice businesses ensure diversity within the workplace?

Integro does not use staff quotas to

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*In an era of informed consent, from a cultural competency perspective, how are we making sure we are even asking our clients the right questions? It's a challenge for all advice businesses.”*

| HARI MARAGOS CFP®



determine who joins the business. Instead, it approaches recruitment with a mindset of not recruiting the same type of financial planners every time.

"If you look at the planning team at Integro, we are all quite different but remain united by our shared values system," says Dawn. "So, for us, it's not about trying to find more of the same. Instead, it's about finding people with different skillsets and personalities, which enable us to provide a deeper offering to clients."

Dawn accepts that when it comes to developing a business culture that embraces both client and employee

diversity, the business remains open to change and evolving its processes.

"We know that we're only going to get better by exploring different perspectives that come up through the advice process. Providing an environment where people feel safe to raise things that are not working for particular clients or colleagues, allows ideas to come forward, which enables us to fine-tune our process as we move along."

Even though Sheila is a sole-practitioner, for her business, workplace diversity is built on collaboration and trusted relationships with referral partners, like accountants

and lawyers.

"Wealth Forum may be a one-person operation, but by collaborating with accountants and my referral partners – particularly when working with my small business clients – I'm effectively working within a team. It's also important that this teamwork means that each professional partner stays within their designated lane and doesn't overstep boundaries, whether that's regulatory or client relationship boundaries," she says.

"That's how I am creating workplace diversity, by ensuring that every single view that a client needs to hear is represented."

# TOP 7: TIPS FOR BUILDING A CULTURE OF DIVERSITY

*As champions of client and workplace diversity, our CFP® practitioners provide the following tips for advice businesses wanting to improve their culture of diversity.*

## 1. INCLUSIVE LANGUAGE

The use of inclusive language in the workplace is extremely important. This includes addressing people by their chosen pronouns. "We need to be aware of the language being used in the workplace. What might be a joke to you, is hurtful to somebody else. This can marginalise people," says Dawn.

## 2. ELIMINATE TOXIC BEHAVIOUR

People in leadership positions need to set the standard by identifying and calling out toxic behaviour, and importantly, fixing it. This type of workplace behaviour can't be tolerated and needs to be eliminated.

## 3. BELIEVE AND SUPPORT YOUR TEAM

Employees need to be believed and supported when they raise examples of toxic behaviour, such as bullying, racism, and sexual harassment. Dawn admits to having experienced workplace bullying in the past, where she did not feel safe to speak up.

"That's because the onus is often placed on the victim to prove their case," she says. "So, when you have situations like gaslighting, it's really left up to the victim to prove the allegation. Instead, support your team. Failure to do so, and you risk losing staff and gaining a potential lawsuit."

## 4. COLLABORATION

Sheila believes it's important for planners to be open to collaboration with other aligned professionals, like accountants, particularly if the client is already dealing with them. "This is a great way to leverage the trust that is already there," she says.

## 5. CHOOSE YOUR IDEAL CLIENTS

While the needs of clients are so diverse, it doesn't mean planners have to service every type of client. Planners should choose their ideal

client type and service them. For other clients who seek your services but don't fit your client criteria, they can be referred to other planners who can better service those clients.

## 6. NEW WAYS OF WORKING

Be open to new ways of working. This includes embracing technology, like Zoom, and remote working to enhance the client experience, while building greater business efficiency. According to Sheila, planners shouldn't rely on pre-COVID business models, as client expectations have moved on since then.

"I'm actually learning a lot from the 'cool kids' on the block, like Adele Martin CFP," says Sheila. "That's because the way they are using technology and social media to engage and interact with their clients is refreshing and it works."

## 7. QUESTIONING TECHNIQUES

Be mindful of cultural languages and the nuances within those languages when asking clients questions. Financial planning is a highly complicated and an extremely personal topic for people, requiring planners to take considerable care in how they ask clients questions, and particularly more so with clients from a different cultural background.

# INNOVATING FOR INCLUSIVE ADVICE

*As the profession matures, opportunities are growing to address the financial advice needs of all Australians. Miriam Fine speaks to Muzzammil Dhedhy, Chief Operating Officer at Hejaz Financial Services, and Sam Tabit CFP®, founder of Bamboo Wealth, about how they're meeting the needs of clients outside of the mainstream.*



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*Opting for Islamic compliance for investments does not compromise your financial outcomes. For many investors looking for an ethical investment option, it presents as a compelling opportunity to go beyond the standard exclusions of weapons and tobacco.”*

MUZZAMMIL DHEDHY,  
CHIEF OPERATING  
OFFICER AT HEJAZ  
FINANCIAL SERVICES

Both inside and out, the financial advice profession has been transformed over the last decade. From the Future of Financial Advice reforms of 2012 to the exit of the banks following the Hayne Royal Commission, the landscape has shifted dramatically for financial planners, their businesses and the clients they serve.

While all this change creates challenges, many in the profession have taken the ‘best interest duty’ of regulatory reform very much to heart in their approach to advice delivery and innovation. One of these is Muzzammil Dhedhy, who set up Hejaz Financial Services in 2014 with CEO, Hakan Ozyon. As COO of a financial services business dedicated to meeting the needs of Australia’s thriving Muslim communities, Muzzammil is passionate about helping others build, manage, and protect their wealth, in an ethical and Sharia-compliant manner.

“Hejaz was started by Hakan Ozyon and myself as the founding partners,” says Muzzammil. “We set out to address a clear and specific need in the Muslim community, helping those who have a unique set of requirements that are generally overlooked by mainstream financial providers. At the time, there were no holistic services catering to Muslims and the fact that these groups are still significantly underserved, means they have very limited exposure to both financial opportunity and education.”

Hejaz started as a financial advice provider with a small office in the Melbourne suburb of Heidelberg.

“At the time, we were the only Islamic financial advice practice in Australia,” says Muzzammil. “Even though many

Muslims – like many Australians – take the view that financial advice is only needed by affluent members of society, we had an avalanche of enquiries from the outset. Our three staff in the Heidelberg office worked hard and were rewarded with a lot of support and trust from our growing client base.

“By 2016, we moved to a bigger office in Thomastown, Melbourne, and our team grew further. By this time, we were running bespoke portfolios for quite a number of clients with substantial assets under management. And this led to opportunities for us to develop dedicated Sharia-compliant investment products.”

## FROM FINANCIAL ADVICE TO ETHICAL INVESTMENTS

By 2017, Hejaz approached Equity Trustees to work with them to establish their Global Ethical Fund.

“We wanted to set up a balanced managed fund, a pooled investment vehicle to cater to the needs of 1,000 or so of our clients,” says Muzzammil. “There was a process of educating Equity Trustees on the ethical screening of portfolios to make sure all investments were Sharia compliant. We have developed a strict investment methodology, backed by the expertise of Global Islamic Financial Services Firm (GIFS) as our Global Sharia Board, to create a more robust Sharia compliance process and governance for all Hejaz products and services.”

Muzzammil and the Hejaz team are very proud of their inaugural managed fund and what it has made possible for their clients and for Muslim investors throughout Australia.





“The Fund clearly demonstrates that opting for Islamic compliance for investments does not compromise your financial outcomes,” he says. “For many investors looking for an ethical investment option, it presents as a compelling opportunity to go beyond the standard exclusions of weapons and tobacco.”

As Muzzammil explains, the funds are designed to screen out companies with exposure to socially injurious activities.

“When we say an investment is Islamic compliant, this means it screens out businesses and companies that are non-Sharia compliant,” says Muzzammil. “These include companies with an interest in adult entertainment, alcohol, unethical media content, gambling and more. For many with a strong ethical and moral compass who do not hold Muslim beliefs, these are still companies they would choose not to invest in.”

Not only are Hejaz investments screened to comply with these many ethical requirements, they must also meet other criteria that align with Islamic laws around borrowing money, earning interest and speculation.

“A company’s percentage of debt to market capitalisation cannot be greater than 30 per cent and a certain percentage of the company’s assets must be tangible in nature,” says Muzzammil. “We will also look at how much of their cash is held in interest-bearing accounts.”

“These additional screening criteria make for very robust and stable investments. The requirements align with strong companies who can withstand periods of market volatility. And so they make sense for our

investors’ financial interests, as well as their Muslim beliefs. As investment managers and financial planners, we have a responsibility to know what’s in our client’s best interests and that means knowing what they believe in and value. That’s something that should apply for all advice clients and investors, no matter what their religion or background may be.”

### **GIVING BACK TO THE COMMUNITY**

While the Hejaz journey has been defined by business success, it’s also been one of dedication and support for a beloved community.

“When Hakan and I were financial planners coming up through the ranks, it was clear to us that our clients need to be at the heart of everything we do, both as individuals and as members of their families and communities,” says Muzzammil. “We have an obligation to our clients that transcends business interests. Supporting them in building their wealth will further the growth and stability of the community I grew up in and that my children are now growing up in.”

Although the Hejaz financial advice offer was something many Muslims were eager to engage with, the team had their work cut out for them to build trust with some clients in the early days of their business. They were sometimes challenged to educate clients that advice can be both beneficial and aligned with their religious values and beliefs.

“As a financial advice practice seeking to enhance the lives of Muslim clients, there is a two-fold challenge to address,” says Muzzammil. “In the

consumer base as a whole, there is a default mindset that advice is too expensive and too difficult to access, and this is shared by many Muslims, too. Sometimes, Muslim clients will have engaged with financial advice and been unaware that their money was being invested in a manner that goes against their values. This results in a loss of trust in financial advice overall. So, we’ve been committed to helping our market understand that our offer is genuine, affordable and a service they actually need for their families to prosper.”

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*Acting ethically and transparently at all times are tenets of the Islamic faith. The financial planners in our network are not necessarily Muslim themselves but they wish to perform their best interest duties for all clients, including Muslims, to the highest standard.”*

MUZZAMMIL DHEDHY,  
CHIEF OPERATING  
OFFICER AT HEJAZ  
FINANCIAL SERVICES

## OPPORTUNITIES TO EDUCATE

The Hejaz commitment to education goes a lot further than sharing the benefits of financial advice with potential clients. As Muzzammil points out, the fact that so many mainstream financial products are not an option for Muslims – from credit cards to savings accounts to insurance – means they don't get the chance to learn about financial management through direct experience.

"For any bank in Australia, their operations are interest-based and that means their products and services are forbidden under Sharia law," says Muzzammil. "In the past, it's been the banks that children and young adults in Australia have engaged with to learn about how money works. This lack of opportunity for our Muslim youth is something we want to address, so we set up the Hejaz Institute as a not-for-profit in 2015 to

run financial literacy programs and offer financial counselling.

"The Institute has enabled us to offer grassroots programs in Islamic schools, as well as webinars and seminars for Muslim professionals," says Muzzammil. "Both our younger and older students have benefitted from learning how to manage their super and their borrowing, which helps to set them up with strong financial foundations before they get wrapped up in their professional life and family commitments."

As a professional educator, Sam Tabit CFP® has worked alongside Muzzammil and Hakan to advance the financial capability of Muslims. Sam's 20-year career in financial planning has seen him fulfil this mission through professional advice to a diverse client base, including Muslims, Hindus and Australians from many religious backgrounds. A lecturer in financial planning at RMIT and a Muslim himself, Sam has helped present Hejaz Institute's Financial Literacy Program and shares the Hejaz commitment of seeing more Australians prosper and thrive through better financial outcomes.

"For Australians of all beliefs and backgrounds, education on the benefits of financial planning is very important," says Sam.

"Overall, roughly two out of 10 Australians will ever seek financial

advice, so the benefits are still not well understood."

## AN INCLUSIVE APPROACH TO ADVICE

Sam started his boutique financial planning practice, Bamboo Wealth, five years ago. He has built a diverse client base from the ground up. Today, his comprehensive advice offering delivers better financial outcomes for Australians from all walks of life. His practice also provides National Disability Insurance Scheme (NDIS) services, home finance and personal lending to round out his inclusive approach to supporting families and individuals towards a better future.

"Any client we see, we will always take a thorough look at their individual circumstances, whether they're Muslim or Christian, aged 20 or 80," says Sam. "Our clients range from wealth accumulators to retirees. Some need limited advice, others are looking for comprehensive advice.

"At Bamboo Wealth, we're also accredited to provide Aged Care advice and we offer NDIS planning services," he adds. "In my early days while studying at university, I worked in disability support and have family who work as carers in the sector. We now have many financial advice clients who also work in the sector. It helps to have that understanding of



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*We have an obligation to our clients that transcends business interests. Supporting them in building their wealth will further the growth and stability of the community I grow up in and that my children are now growing up in.”*

SAM TABIT CFP®  
FOUNDER OF BAMBOO  
WEALTH

## COMPLIANCE WITH ISLAMIC LAWS: WHY FINANCIAL PRODUCTS AND SERVICES FOR MUSLIM CLIENTS ARE DIFFERENT

*Generally speaking, there are a number of traditional financial products and services in Australia that are forbidden (haram) for Muslim clients on the basis of their beliefs in Islamic laws and principles:*

### INTEREST-BEARING ACCOUNTS – CREDIT CARDS, LOANS AND SAVINGS

Islamic law expressly forbids *riba*, which translates as interest, or is sometimes called usury. This means Muslims wishing to comply with the laws of their faith cannot receive interest for money they have or pay interest on their borrowing.

### LIFE INSURANCE

Islamic law prohibits gambling – *maysir* – and transactions where there are elements of gambling. Life insurance can be considered a form of gambling on the timing of a person's death. It is also likely to be forbidden under the principle of *gharar*: that which is not certain.

### INVESTMENTS

Investments that share in the profit and loss of a business – like equities – are permitted under Islamic law. However, investments in business activities forbidden under Islamic law are not allowed and the same is the case for investments that pay interest (*riba*).





how their commitment to work, family, finances and community all overlap, so we can keep these in balance.

“And just like financial planning, NDIS planning requires really specific strategies that involve clients, their families, allied health professionals, and support workers. The plan might not be as long and comprehensive as a Statement of Advice, but it needs to take into account all the different elements of support that underpin the life plans and goals of NDIS clients and make the most of the funding they have to achieve them.”

### THE GROWING ADVICE GAP

As well as leading his business, meeting with clients, raising a family and working in support of Hejaz Institute's initiatives, Sam is also at the forefront of financial planning education. He's taught for RMIT, La Trobe and Kaplan, and has concerns that falling planner numbers are a significant issue that needs to be addressed if financial advice is to become more inclusive and accessible to Australians.

“Demand for financial advice is growing but from the supply side, we aren't seeing enough newly qualified planners joining the profession,” says Sam. “Financial planning isn't known among high school students as a career option and most undergraduates end up studying financial planning as an elective towards their accounting or economics degree.

“The average age of a financial planner is around 58,” he adds. “If we're to see the profession meet demand for advice in a cost-effective way, and a way that makes advice readily available to people who need it, then we need to position financial planning as a career that presents young people with an opportunity to help people with many different types of advice.”

### SUPPORTING FINANCIAL PLANNERS

To further support and enhance access to advice for Muslims and other Australians, Muzzammil, Hakan and the Hejaz Group established Hejaz Financial Advice (HFA) as a licensee in 2020. It's their goal to guide financial planners in achieving the greatest possible alignment with the best interest standards as defined by the FASEA code of ethics. Sam is moving Bamboo Wealth across to the HFA AFSL, further strengthening his inclusive advice offer to all clients.

“Acting ethically and transparently at all times are tenets of the Islamic faith,” says Muzzammil. “The financial planners in our network are not necessarily Muslim themselves but they wish to perform their best interest duties for all clients, including Muslims, to the highest standard. Financial planners joining HFA will have access to Islamic compliant products on their approved product list.”

HFA also aims to offer financial planners additional support at a time that's been challenging for both planners and clients.

“We started a business eight years ago and we also know what it's like to be working as a financial planner under a dealer group,” says Muzzammil. “It's been a rough time for planners during COVID, and we're here to make things easier by helping them succeed in managing their business efficiently and designing solutions that genuinely help clients.”

### THE NEXT MOVE

As well as developing the financial advice side of the business, Hejaz has also responded to the growing need for Muslim consumers to access financial products, such as mortgages.

“In 2018, we launched a market leading home finance solution, structured and funded in a way that complies with Islamic laws and principles,” says Muzzammil. “Now we're engaging with APRA to hopefully arrange a restricted banking licence to address the needs of some of the 1.2 million unbanked or underbanked Australians.

“This will be a vital step forward in servicing Muslims who have made financial sacrifices by not engaging with deposit and credit products that don't comply with their beliefs. We're also very excited at the prospect of developing products and services for Muslim entrepreneurs who require capital for a business or project.”

“  
For Australians of all beliefs and backgrounds, education on the benefits of financial planning is very important. Overall, only 3 out of 10 Australians will ever seek financial advice so the benefits are still not well understood.”

SAM TABIT CFP®  
FOUNDER OF BAMBOO  
WEALTH

# WHY SMART IS DUMB

*Goals-based conversations not only engage clients, but they are vital for the overall advice process. However, in comparison, SMART goals are confusing client conversations. Stewart Bell explains why.*



## STEWART BELL

“

*The first key to having great goal conversations is to take off your expert's hat and stop thinking that you know the answer because something came up that looks like a problem that's been solved before.”*

Let me just put it out there – smart goals are dumb.

You'll have to excuse my directness, but it's been building for a while. I think it began to bubble when a lot of discussions started flying around about goal conversations with clients. Maybe it's me but the idea that this would be something to hang a business model off is a little bit crazy.

Goals-based conversations are not a value proposition, qualification or a differentiator. It's part of engaging clients, a subset of something bigger, and I struggle to see how you'd be able to give advice without it.

As a client asked: “Bus, train or airplane?” It's impossible to answer until you know the destination. But then they rolled out the big guns and it got really stupid, and it began with an old friend from corporate days called – ‘SMART’ goals.

It works like this. According to the Gospel of SMART goals, the only way to define an objective properly is by following a specific process, captured rather neatly by the acronym SMART.

- You start by being **Specific**;
- You make sure what you're aiming for is **Measurable**;
- Next, you make sure it's **Achievable**;
- You run it through the **Realistic** filter; and finally
- You make it **Time** bound.

Let's break this down.

Specific makes sense. Getting clear about exactly the outcome you're aiming for is better than blindly aiming at whatever happens.

Measurable is also a good call. I mean, how will you know you're there if you don't have something to measure against. So far, so good.

It should totally also be Achievable. For example, if your plan is to fight a ninja with a toothpick, it's probably worth asking the question if a better goal might actually be to run away screaming or bury yourself in the sand.

The goal should also be Realistic. But hold on. Can someone explain to me the difference between achievable and realistic? I mean, if I can't realistically achieve the goal that I'm setting out to achieve, then what's the point of the previous step. Something has gone terribly wrong there.

And finally, the goal should be Timely? But I'm super confused now. Are we saying that time is not a measure? Last time I checked, time is measured pretty accurately using everything from clocks, clocks, and ... um ... clocks.

### SMART IN REAL LIFE

So, let's apply this SMART framework to real life. Imagine I'm going to phone you up and suggest we go catch a movie. Assuming we were normal people, I reckon the conversation would go a little like this:

Me: Hey man. Fancy a movie this weekend?

You: Yeah, sounds good. What do you have in mind?

Me: I don't know, maybe we could hit up Newtown and see what's on? That new action flick with Chris Hemsworth is released on Saturday.

You: Sounds good. Let's meet, say 12pm?

Me: Yeah, that sounds good.

You: Done.

That's real life. Now let's do the ‘SMART’ version.

Me: Hi. It's Stewart here, calling from a phone somewhere in Alexandria.





I was wondering if you and I, and no other people, would like to potentially catch up this weekend, between the hours of 1pm and 6pm, although 12pm is possible, travelling to Newtown by car, or by bus if you do not have a car. During that time, we'll watch a film and at the end of it we will come out of it feeling like we've enjoyed ourselves, and maybe even elated, possibly have some conversation, and do so in a way that we both feel is inexpensive and coming in at under \$20. How does that sound?

You: What?

That's not how life works. This is the problem with SMART objectives, and the clue is in the name. It should be SMA objectives, but let's be honest, SMA objectives isn't going to sell the same books.

If you're a consultant, SMART is smart. As a goals framework, it's unhelpful.

In a conversation where we should be just listening, we're focused on some framework that's supposed to open clients up like a sardine can, having them let you know everything you need to pop in the SOA and make it compliant. But that's not how it works.

## IT'S EASIER THAN THAT

Goal conversations are not hard. They're about questions. They're not about asking 'why' five times, which is more likely to indicate that you're probably thinking more about how many more why's you need to ask before you can write something down.

It's not about whipping out a calculator that will do all the hard work for you. It's simpler than that. Asking questions. Taking an interest. Being willing to listen, a bit longer and

focusing on what lies beneath.

Let's face it, nobody really wants to outsource funds management, own an SMSF, or buy the perfect level of insurance. That may be the outcome or interpretation of the vehicle needed. Instead, we need to go deeper, perhaps by asking.

- What's that all about?
- Why does that matter?
- How did this come about?
- Why do you think that's going to help you get what you want?
- How did you come to feel this way?
- What's the benefit to you of making this happen?

It's about connecting with the true underlying motivation that drives people to sit with you and explore the possibilities. In other words, goal conversations are mostly just about taking an interest. They're not about finding something that you can put into a calculator with a number next to it. It's all about being able to put something in an SOA that sounds like the reason the client was inspired to get help in their own words.

They don't want an SMSF. They want to buy a property with super money.

They don't want a budget. They want to keep more of their income to spend on stuff that matters.

They don't want an investment strategy. They want to worry less about losing their money and being able to retire when they want, and so on.

## STAY DUMB LONGER

It's grating as a consultant and coach to watch others take simple things and, in the attempt to monetise them, turn them into more complex things. It's frustrating to see others who don't have enough information about what

they're trying to do, try to teach others what they don't themselves understand.

I don't want to simply criticise, so let me also share something that I hope will help – stay dumb longer! This is one of a number of principles that will improve your goal conversations instantly.

The first key to having great goal conversations is to take off your expert's hat and stop thinking that you know the answer because something came up that looks like a problem that's been solved before.

Instead, stay stupid for two more questions. Even when you think a client has outlined the advice they want, the product or strategy you think you should put them in, or the plan needed – Stop. Then ask two more questions:

"I understand you feel you need a budget but help me understand this; what outcome do you want a budget to help you achieve?"; and

"When you achieve that, what would you do with the spare funds?"

In other words, what's this really about?

"I understand you'd like to consolidate your investments, but why? Why do you think putting them all together is going to make a difference? Okay, so if you put them all together, what's the different outcome you'd like that to enable you to achieve?"

Goal conversations aren't hard. It's not listening that makes things hard. SMART goals are just noise getting in the way.

*Stewart Bell is a business coach and founder of Audere Coaching & Consulting. He has been consulting to financial planners, brokers and accountants for over two decades.*

# ACCOUNTABILITY AND YOUR CAREER PROGRESSION

*Taking accountability for your actions and decisions in the office will show your business that you are capable of more. It will put you on the radar and separate you from the pack. Judith Beck provides five tips for job accountability.*



**JUDITH BECK**

“

*Most leaders will tell you that they have made many mistakes over their career for things they were accountable for. How you handled the mistake is what sets a leader apart from a follower.”*

With 25 years running an executive search firm, I have interviewed thousands of candidates over the years and worked with major institutions to recruit their teams via internal and external processes. I very clearly would see which people took accountability for their job and which just completed job responsibilities.

Those who saw their job responsibilities as just something they do each day to tick off a list, were less career motivated in the eyes of their employer. They were going through the motions to get their pay check at the end of the month. There was no passion or pride about what they did.

However, those who saw their job responsibilities as something they were accountable for would usually go over and above what was required. They wanted to progress in their career with the company and the more things they were accountable for, the better. This attitude would get them noticed by management as someone who is on track for promotion and into leadership.

If you take accountability for a task, you will more than likely be focused on the quality of the task, as it will be a direct reflection on you.

You are taking responsibility for the results and owning the outcome. If there is a good result, then you will be commended. If there is a negative result, then how you accept

accountability will also be judged by your manager. You will be assessed on your actions and how you accept mistakes and critique.

## **MISTAKES HAPPEN: HOW TO HANDLE THEM**

Most leaders will tell you that they have made many mistakes over their career for things they were accountable for. How you handled the mistake is what sets a leader apart from a follower.

Leadership is a trait, not a level. You can be a leader at every stage of your career. The behaviour you exhibit after a mistake is made will tell your boss if you are someone who takes responsibility, is accountable for their actions (and their team that they manage), and they can trust that it will not happen again.

If you are someone who puts the blame on others, systems, lack of resources or any other excuse that will divert the mistake from you, then your boss will see you as someone who does not take accountability. This will likely go against you at review and promotion time.

Often, I would hear managers making comments about internal applicants who blame others for their mistakes – and this would knock them out of the running for the promotion.

If you are accountable for a task and make a mistake – own your mistake.



# BE ACCOUNTABLE

***Taking accountability for your actions can put you on the radar for career progression. Here are my top five tips for accountability.***

- 1** Know exactly what you are directly accountable for. This includes the details of the task, the timeline for completion, and what result is required.
- 2** If you make a mistake, stand up and accept responsibility. Do not blame others for the mistake and assure your boss it will never happen again.
- 3** If the quality of the task you are accountable for is questioned, accept the feedback as critique not criticism and thank the person for letting you know. Don't be defensive and understand that people are usually trying to help when they give feedback.
- 4** Write down what happened and put in place a process, so the mistake never happens again.

- 5** Keep details of all the tasks you are accountable for that would be considered an achievement. This will come in handy at your next performance review. Have you gone over and above what was required?

Taking accountability will show your business that you are capable of more. It will put you on the radar and separate you from the pack. From graduate role to management level, have a mindset that you are accountable for the responsibilities listed on your job description. Master those to a high standard and then ask for more. This is what will get you your next promotion.

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*Judith Beck is an author, the founder of executive search firm, Financial Recruitment Group, and the founder of FEW (Financial Executive Women).*

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*Leadership is a trait, not a level. You can be a leader at every stage of your career. The behaviour you exhibit after a mistake is made will tell your boss if you are someone who takes responsibility, is accountable for their actions (and their team that they manage), and they can trust that it will not happen again.”*



# SOIL2SOUL HAS THE RIGHT ZEST

*LeaderLife is using a lime farm in its Soil2Soul program to teach young people at risk, critical life skills in the Central West of NSW.*

In 2011, LeaderLife commenced its community work from Apollo House, in the heart of a social housing estate in East Dubbo (Central West NSW) – an estate with intergenerational disadvantage and trauma.

Today, LeaderLife continues to support young people between the ages of 12-24 in Dubbo, who are at risk of early and prolonged contact with the criminal justice system, as well as early school leavers, those

having difficulty finding work, or those who are simply having a tough time. Ninety-five per cent of young people accessing LeaderLife's programs are Indigenous Australians.

According to Joh Leader – the Founder and CEO of LeaderLife – the not-for-profit's scope of projects can be grouped into three categories: education and training; community engagement and diversion; and social enterprise.

and modified to suit our students' complex learning needs," Joh says.

## COMMUNITY ENGAGEMENT AND DIVERSION

Participants are also involved in a variety of skill-based, voluntary activities, including garden and asset maintenance, and community events. Diversionary activities like camps and touch football with youth workers and police, also help to keep these young people active and engaged.

"Our young people also have access to driving lessons to help them to develop safe driving habits, as they work towards their Learners and Provisional licences. This program facilitates greater independence, whilst instilling responsibility, and mitigates the risk of our participants from being charged for unsafe and unlicensed driving," says Joh.

## SOCIAL ENTERPRISE

As a logical progression from LeaderLife's community engagement, education and training activities, young people also have the opportunity to attain paid employment and work experience within the not-for-profit's Soil2Soul social enterprise. It was this social program that LeaderLife was successful in receiving a grant for \$10,000 from Future2.

"Our social enterprise, Soil2Soul, is designed to develop work readiness skills across the agriculture industry. The program delivers contract work and commercial services in line with regional demand and across a diverse range of industries, including running our lime farm and contract landscaping business," says Joh.

## LEADERLIFE

**GRANT AMOUNT:** \$10,000

**ENDORSED BY:**  
XENIA MCGEE AFP\*

**FPA CHAPTER:** SYDNEY

“

*Being responsible for the lime business activities is teaching these kids essential financial skills that they are not learning at school, which no doubt, will lead to some young entrepreneurs!”*

| XENIA MCGEE AFP®

## EDUCATION AND TRAINING

Joh explains that one of the most significant risk factors that makes a young person vulnerable to early and ongoing contact with the criminal justice system is disengagement from education and training. Simultaneously, these young people also face multiple barriers in a mainstream education environment. Providing a viable alternative to this environment is a central component of the work undertaken at LeaderLife.

The education and training component of LeaderLife consists of a commitment to learning that is highly focused on the practical application of literacy and numeracy, whether it's in the classroom, workshop, paddock or community settings. Participation in accredited and non-accredited vocational training also facilitates the development of a wide range of technical and soft skills, as participants engage in practical activities like horticulture, agriculture, natural resource management, cropping, and livestock instruction.

"They also participate in short courses to obtain qualifications like their white card and machinery operation, which are run by local RTO partners



*Xenia McGee AFP® (left) hands over the Future2 cheque to an appreciative Joh Leader and participants of the Soil2Soul program.*

She adds that all people participating in any of LeaderLife's activities have access to holistic wellbeing and youth work support.

"We recognise that our young people can't focus on education and training without their wellbeing and material needs being met. We provide mentoring, coaching and counselling on a flexible basis, as well as referring them to external service providers as needed, and facilitate access to suitable accommodation, and private and public transport."

### SOIL2SOUL PROGRAM

Xenia McGee AFP® - founder and financial adviser at Globalee Investment Services - first learnt about LeaderLife by reading a newspaper article. She was supportive of the work done by Bernie Shakeshaft and BackTrack in Armidale, and so to read that this social enterprise was involved in assisting an affiliated organisation in the Central West of NSW got her excited.

"LeaderLife has established programs to support Dubbo's youth, and I am delighted that the Future2 grant will help support one of these program's - Soil2Soul," says Xenia. "Many kids entering LeaderLife programs are disengaged from education, and some have experienced numerous traumas in their young lives. To have a youth worker supporting these kids learn critical life skills, gain employment, and continue to help them step forward in a positive and confident manner is important."

LeaderLife's Soil2Soul program works in partnership with a local training organisation to deliver vocational training for mostly young Indigenous people, who have disengaged from education or are on the edge of the criminal justice system.

"Soil2Soul reinforces positive life pathways and supports these young people as they develop work-readiness skills across agricultural, retail, customer service and management. Through our education and training model, our program participants have the potential to develop their skills across other enterprises, such as tree planting, agricultural work and woodcutting, which makes Soil2Soul a long-term employment pathway for young people doing it tough in Dubbo," says Joh.

"Our participants also attend the Dubbo Farmers Market to sell limes, where they learn important social, business and relationship management skills. We also have a local delivery service, which has been an excellent opportunity for our young people to accrue 'L plate' log book hours and much needed driving practice."

According to Joh, as a result of the Soil2Soul program, there has been an impressive drop in negative police contact with young people involved in the program, with 79 per cent having zero interactions with police throughout 2020.

### PHONE RUNNING HOT

Xenia is delighted to see the beneficial impact the Soil2Soul program is having on the lives of young people at risk.

"LeaderLife has leased a lime farm near Narromine, west of Dubbo. The LeaderLife kids have spent time making improvements to the lime farm and over the past year, the Soil2Soul program has provided employment opportunities to about 40 kids," says Xenia.

"Limes from the harvest are sold to bars, clubs and restaurants in Dubbo. The kids also muster up the courage and do the sales and marketing for the lime harvest.

"Being responsible for the lime business activities is teaching these kids essential financial skills that they are not learning at school, which no doubt, will lead to some young entrepreneurs!"

In fact, Xenia adds the LeaderLife youth team is so keen to work that they have set up a landscaping team, which provides garden maintenance for businesses in Dubbo.

"I hear the phone runs hot at LeaderLife in the morning with these kids wondering what job opportunities are on the go," she says. "This is a great success and it wouldn't have been possible without the support of charitable foundations, like Future2."

# 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](http://moneyandlife.com.au/professionals)

**ARTICLE 1**

**AMANDA HARVEY**  
KNOWITDIGITAL

## SUPER CONCESSIONS FOR LOW AND MIDDLE INCOME EARNERS

Superannuation concessions for low and middle income earners may seem modest, but they can still be an effective way to boost retirement savings.

This article explores the range of concessions available that can assist low and middle income earners to increase their retirement savings.

It also considers the general pecking order when determining the most

beneficial superannuation concessions for clients, depending on the client's marginal tax rate.

### WHAT YOU WILL LEARN

- Government co-contribution
- Spouse contribution tax offset
- Low income super tax offset
- Practical tips

 This article is worth  
**0.5 CPD HOURS**

 ASIC knowledge area  
**SUPERANNUATION**

 Legislated CPD area  
**TECHNICAL COMPETENCE**

**ARTICLE 2**

**STUART SHEARY CFP®**  
INSIGNIA  
TECHCONNECT

## TERMINAL ILLNESS AND SUPER

Clients with a terminal medical condition often have a lot of planning issues, including areas concerning their finances and superannuation. Financial planners can provide significant value during this stressful period by guiding clients through these areas.

Accessing superannuation under the terminal medical condition of release is one of many financial planning issues which often requires a deep analysis to achieve the most suitable client outcome.

This article discusses some of the superannuation options and outcomes for clients with a terminal medical condition.

### WHAT YOU WILL LEARN

- Taxation of withdrawals
- Certification period
- Insurance
- Alternative strategies

 This article is worth  
**0.5 CPD HOURS**

 ASIC knowledge area  
**SUPERANNUATION**

 Legislated CPD area  
**TECHNICAL COMPETENCE**



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**ENROL FOR SEMESTER 2  
BEFORE 1 JULY**

*"To provide the best advice, your clients need to be able to trust you. The CFP® designation is a great base for technical competency which is the foundation for that trust to grow on."*

**Zacary Leeson CFP®**

2020 CFP® PROFESSIONAL OF THE YEAR

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