

SHAPING FUTURES

FPA Professionals CONGRESS

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Professional
PLANNER

BRISBANE 18-20 NOVEMBER 2015



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Rantall a 'tireless' worker for the profession and its members

A CHIEF EXECUTIVE OFFICER APPOINTED FIVE YEARS AGO HAS BEEN INSTRUMENTAL IN THE ESTABLISHMENT OF THE FPA AS A DRIVING FORCE FOR PROFESSIONALISM.

The chair of the Financial Planning Association, Neil Kendall, has paid tribute to the tireless efforts of departing chief executive Mark Rantall in shaping the future of the financial planning profession in Australia.

Kendall announced Rantall's departure yesterday at the FPA Professionals Congress in Brisbane. Rantall was awarded life membership of the FPA, and Kendall said Rantall's stint with the association has coincided with unprecedented change for both the association itself and for its members.

"We've had amazing changes since our vote [in 2011]," when FPA members voted to restructure to become a practitioner-only association, Kendall said.

"We've come from an association that had got along quite well to an association with a clear, direct purpose. The five-year

journey has been quite amazing, and I've got to say that spearheading that has been our CEO Mark Rantall. He's spent five years at the front of the organisation negotiating, bartering, getting things done, and building a great team."

Kendall said it was notable that Rantall was the first CEO of the FPA who was also a Certified Financial Planner. His successor, Dante De Gori will be the second.

"You can see the difference it makes when your CEO understands what it is we do, is committed to what it is we do," Kendall said.

"Mark brought passion about financial planning to the FPA management and team.

"Mark has been running the role for five years now and he's been tireless. There's no time of day that Mark is not available to take calls or deal with issues. Mark tells me he goes on holidays; he just doesn't tell me when. When I ring him and he's walking up

// YOU CAN SEE THE DIFFERENCE IT MAKES WHEN YOUR CEO UNDERSTANDS WHAT IT IS WE DO, IS COMMITTED TO WHAT IT IS WE DO

a mountain in Noosa, he just carries on as if he's at work. I do worry about the heavy breathing, but he tells me not to panic."

Kendall said that Rantall had elected not to renew his contract with the FPA so he will "effectively step down from his role as CEO on March 1 next year".

"Mark is going to pursue a career as a non-executive director and has in that capacity accepted a role to continue with the FPA as a director on the board," Kendall said.

"I think this is an appropriate time to thank Mark for the work that he has done, for the leadership he has provided, for the team he has built. Please join with me in recognising Mark as we award him life membership of the FPA."

Kendall said the FPA had led regulatory change on a number of fronts as it strove to have financial planning structured and recognised as a profession.

"We got rid of investment commissions before the FoFA reforms," Kendall said.

"We had the best interests duty as part of our code before it became law. Last year the FPA put out a 10-point plan. We said to the government, 'This is how you build a profession – these are the steps, these are the parts that you need to make a profession'.

"The government has adopted eight of the 10 proposals in our 10-point plan.

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“We’ve led through and made submissions along the way on the FoFA outcomes, the PJC inquiry, the Financial System Inquiry. The FPA have been leaders in building this profession and influencing the government and other stakeholders to build a profession.

“This year the government has announced – finally – that the term ‘financial planner’ will be recognised in law, and the only people that can call themselves a financial planner

are those people who are properly qualified, trained and authorised to do so. This is a great step forward for us, that clear recognition by government of the importance of financial planning as a profession.”

Kendall said Rantall had been “very thoughtful” about the CEO succession plan.

“He’s been discussing this with the board for some time,” Kendall said.

“We’ve worked through a succession plan, we’ve done extensive search of industry

across our profession to find our next CEO.”

Kendall said De Gori has “extensive industry knowledge [and] is passionate about financial planning”.

“He will be our second CEO who is a CFP. [He has] lots of industry experience and importantly he is our first internal successor – another first for the FPA and another positive step forward that we are now able to deliver a CEO from within our own ranks.” ■

New CEO a known quantity for FPA members

A SEAMLESS TRANSITION AND CONTINUATION OF THE PUSH FOR PROFESSIONALISM WILL BE HALLMARKS OF DE GORI'S LEADERSHIP.

The chief executive officer-elect of the Financial Planning Association (FPA), Dante De Gori, is already well known to the association’s members as its general manager of policy and professionalism, paving the way for a seamless transition and a continuation of the association’s push to have financial planning recognised as a trusted and respected profession.

The chair of the FPA, Neil Kendall, said De Gori’s background in policy and experience of working with regulators and government will stand the FPA and by extension its members and the emerging profession in good stead.

De Gori said that beyond ensuring an orderly transition of CEO, the objectives of the FPA and its goals and targets will remain unchanged.

“What I’ll look to do is take us to the next stage in that particular journey, and I’ll have more to say about that when I commence my role on March 1,” he said.

De Gori said financial planning is “of national importance; second only to one’s health, financial planning and the financial security of one’s retirement is paramount”.

“Financial planners play a massive role in that, and I’m looking forward and excited about the next chapter and the future.”

Kendall said the appointment of De Gori is a clear signal that the association is “still on the same journey” that it embarked upon five years ago when Mark Rantall was appointed.

“If you think of it like a bus, we’ve changed the bus driver,” Kendall said.

“But we’re still on the same destination – and in fact the [former] driver is coming with us as well, so it’s a strong message to members: the FPA hasn’t changed; it’s evolved as it should; and in an orderly, processed way.”

“It’s a great privilege and honor to be given the opportunity to lead this great organisation,” De Gori said.

“I know there’s going to be time to reflect on Mark’s role and influence in the



organisation and profession in the next few months. Personally, Mark has been a great mentor. He’s provided a great foundation for a professional organisation, so I’m very grateful for that.

“I’m also very excited to lead the organisation and our members, which are a fantastic group of professionals who every day get up to do the right thing and change people’s lives.

“So I’m very excited about that, and very excited about the future.” ■



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Building a better workplace cannot be left to chance

GOOD MANAGEMENT AND AN ENGAGED WORKFORCE CAN BOOST PRODUCTIVITY AND BUSINESS VALUE, BUT THERE HAS TO BE A PLAN BEHIND IT.

Leadership author Michael Bunting has urged financial planners to become more conscious of their leadership

skills and not leave it to chance if they want to create great workplaces and maximise the value of their business.

WorkSmart Australia's Bunting, the co-author of *Extraordinary leadership in Australia and New Zealand*, says that good management and a highly engaged workforce can boost productivity three-fold and significantly increase return on investment.

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IF YOU LOSE
TRUST YOU'RE
THE LAST TO
KNOW IT

Bunting says that many managers are often unaware of how to become the leader that creates a powerful experience for employees.

"You can't leave it to chance," he says.

Bunting says there are five key steps to building a great workplace.

1. MODEL THE WAY

The first is "walk the talk" and to build trust.

"We follow what we see, not what we hear," he says.

But Bunting says that three out of five leaders are not trusted by direct reports.

"If you lose trust you're the last to know it," he says.

Bunting says that leaders need to know who they are and what they stand for.

2. INSPIRE

The second step is to inspire and become clear about where you are taking the organisation.

Bunting says the average leader spends just 3 per cent of their time creating a vision, which isn't enough.

3. CHALLENGE THE PROCESS

The third step is to create an environment where staff can push boundaries by making suggestions, making mistakes and experimenting.

"If you're not experimenting, how else do you get ahead of the competition?" he says.

He says planners should view innovations as experiments that involve trial and error.

4. ENABLE OTHERS TO ACT

The fourth step is to empower staff and give them ownership and choice.

That means finding a middle path between abandonment and micromanagement.

5. ENCOURAGE THE HEART

The final step is to give staff a "home ground advantage" by making them feel significant through thanks and recognition.

He says 79 per cent of people who left a job cited lack of appreciation.

"Great leadership is hard work," Bunting says, but it can pay off in more satisfied staff and higher business value. ■

Tales of inspiration open 2015 FPA Professionals Congress

Li Cunxin, the author of best-selling autobiography, *Mao's Last Dancer*, says despite challenges, the growth of superannuation will underpin an exciting future for the financial planning industry.

Cunxin, a former stockbroker, says financial planning "is the most exciting growth industry".

He points to the 9 per cent-plus growth mandated by compulsory superannuation.

"Which industry gives you that guarantee?" he says.

Cunxin told the story of his impoverished childhood as a peasant's sons in China where his family faced starvation.

A chance selection tour for his school saw him selected from millions of children for a position at the elite Beijing Dance Academy, which turned into a bitter experience.

"I hated ballet with a passion," he says.

But an inspiring teacher turned that hate to

love, and after a difficult move to the US, and he fought his way to become one of the top 10 dancers in the US.

He then shifted to finance, spending ten years as a stockbroker with Bell Potter Securities.

Cunxin, now Artistic Director of Queensland Ballet, said as a financial person he understood the challenges facing financial planners including "the incredible demands put on you".

But he called on planners to respond by lifting their standards, working harder and not accepting mediocre outcomes.

"As a dancer what I have tried to achieve is about excellence; it's about perfection," he says.

He says that before planners engage with clients or send a proposal they need to ask whether they had done their best.

Bestselling author, *Earth Hour* co-founder and executive, Nigel Marsh, says planners can shape

their own and their clients' future by showing greater courage and taking more risks.

"If you aren't taking risks someone is going to shape your future for you," he says.

Marsh, the author of *Fat, Forty and Fired*, says he turned his life around when he realised that life was "constant white water" and stopped equating personal problems with personal failure.

An inspiring morning of keynote speakers at the FPA Congress's opening and keynote session also heard the remarkable journey of Munjed Al Muderis, who was forced to flee Iraq and take an arduous boat trip to Australia at the hands of people smugglers. But he didn't give up his dream, and inspired by *The Terminator* movie became a pioneer in robotic implants.

He said that we make no progress without thinking outside the box and taking calculated risks. ■

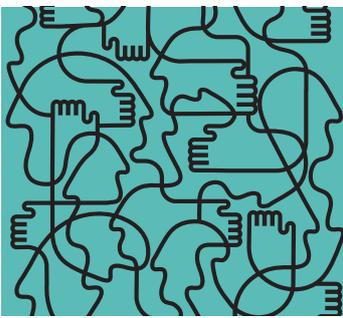
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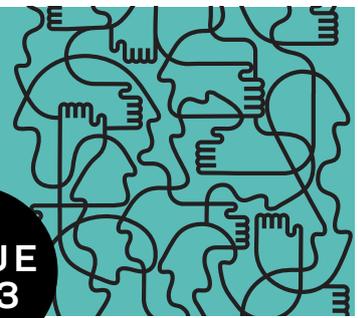




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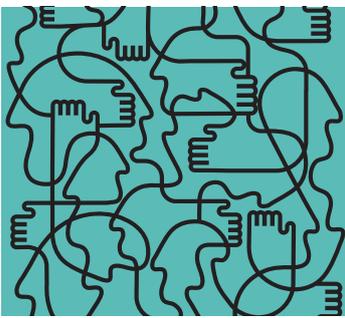


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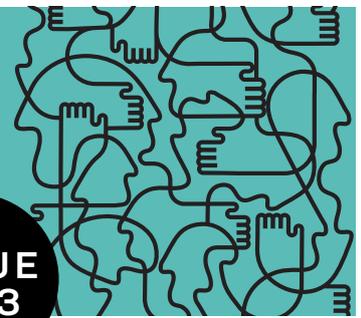
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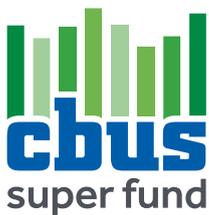
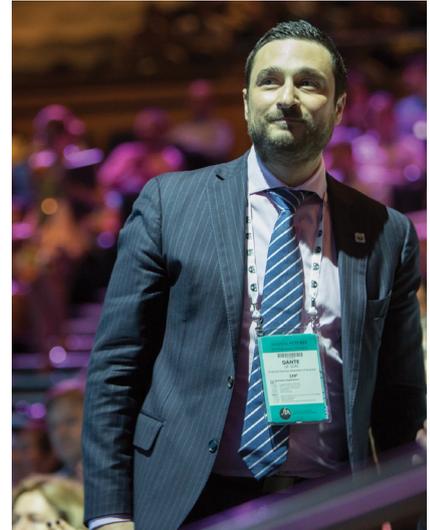


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Risk advice isn't risk free, but here's a guide to make it better

REFORM OF LIFE INSURANCE HAS FOCUSED ON REMUNERATION, BUT THERE ARE OTHER ASPECTS OF THE CHANGES THAT AFFECT THE ADVICE PROCESS JUST AS MUCH, IF NOT MORE.

The Financial Planning Association (FPA) has produced a member guide to providing life insurance risk in

response to what the association's general manager of policy and professionalism Dante De Gori says is a missing piece in the discussion about risk advice reform.

De Gori says discussion has focused on changes to remuneration, with good reason, but "there are other aspects of the framework that have been announced as well" which affect the provision of advice on risk.

Simply changing the commission structure on risk products "doesn't make a financial planner more competent", De Gori says.

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I GET UPSET
SOMETIMES
WHEN
PEOPLE
SAY, 'LIFE
INSURANCE
IS DIFFERENT'

"What's been missed in the conversation is how do you improve and how do you support financial planners in giving advice on life insurance?"

The FPA's response is to publish a new guide for members, *FPA member guidance: Life insurance advice*.

"I get upset sometimes when people say, 'Life insurance is different'," De Gori says.

"It is different in terms of what you need to understand...but the process of advice is the same. You need to understand the client. It doesn't matter what you're providing advice on, if you don't understand the client and their situation then the advice is never going to be [good]."

De Gori says focusing on the process of advice when talking about risk also helps financial planners shift the focus of the conversation onto the value of advice, and away from the cost of the product.

Matthew Brown, a partner in MIQ Private Wealth, has been using the FPA life insurance advice guide in his own practice.

"I've been doing life insurance for 26 years - I go back to the old school of opening the boot of your car and a box and signing up clients from the boot of your car," Brown says.

"Over that period of time we've obviously progressed through a whole range of different product enhancements, product improvements and how things work, but I found the guide taking me back to basics again.

"You start to look at the points in the guide, a lot of the points in there are really just basic stuff - sitting down and setting the scene with the client and going through dot-points - there's a checklist at the back of the book.

"I found myself going back to basics and when I sit with the client, what are the questions I'm asking, go into a bit more of a deep dive into some of those questions, and how that person understands."

De Gori says the Life Insurance Advice guide "is not a rule, it's not a standard, it's a guide" and is therefore not enforceable on FPA members. It is structured to demonstrate how life insurance advice can be delivered in accordance with the FPA's code of ethics and its professional standards. ■

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Cbus and FPA – building super futures together

THE BUILDING OF AN ADVICE RELATIONSHIP HAS PAID OFF FOR EVERYONE CONCERNED.

After piloting in early 2014, Cbus is thrilled with the success they have achieved in partnering with the Financial

Planning Association (FPA) of Australia and connecting accredited Certified Financial Planner (CFP) professionals with Cbus members around Australia.

Cbus is the super fund for more than 726,000 members and 96,000 employers Australia-wide. Founded in 1984 by workers for workers, Cbus manages over \$31 billion in members' funds, making it one of the largest super funds in Australia.

Key highlights of the Cbus and FPS Referral program, as at August 31, 2015, show it has been a positive partnership for all:

- More than 1819 advice referrals, delivered across 50 FPA Professional Practices nationwide, representing more than \$313 million in funds under management with Cbus.
- 94 per cent of surveyed Cbus members rated their experience with a participating FPA Professional Practice – Certified Financial Planner as “positive”.
- FPA Professional Practice attendance at Cbus retirement planning seminars held throughout Australia.
- The introduction of a dedicated Cbus financial planning support service for FPA Professional Practices.
- Morningstar and Lonsec fund product ratings and a quarterly Cbus investment update
- More than 100 FPA advice reviews conducted.



// WE CONTINUE TO PROVIDE A QUALITY SERVICE FOR OUR MEMBERS THROUGH THIS PROGRAM IN OUR ENDEAVOUR TO HELP THEM REACH THEIR RETIREMENT GOALS

Greg Harper, head of advice and retirement at Cbus, says the program is testament to the Cbus and FPA vision.

“We continue to provide a quality service for our members through this program in our endeavour to help them reach their retirement goals”, Harper says.

Harper says he and the rest of Cbus are grateful for the FPA's ongoing contribution and commitment and look forward to continuing the partnership. ■

Getting to the heart of ethics and professionalism

DOING THE RIGHT THING ALL THE TIME AND GOING OVER AND ABOVE THE REQUIREMENTS OF THE LAW ARE CENTRAL TO BUILDING STRONG CLIENT RELATIONSHIPS.

Risk profiling presents an opportunity for financial planners to demonstrate that they are both ethical and professional, according to Dr Katherine Hunt, a lecturer in Griffith Business School's Master of Financial Planning program.

Hunt says behaving ethically means “doing the right thing all the time, even to your [own] detriment”. And behaving professionally is “not about regulation; it is about going over and above regulation”.

A properly constructed risk-profiling program – one that is not based on a rigid questionnaire but instead involves conversations with clients and delves into several key psychological traits – can enable financial planners to demonstrate that they care about the client and are committed to putting the client's interests first.

“At the heart of risk profiling is ethics and professionalism,” Hunt says.

“From my perspective, professionalism is all about ethics and empowering the client through the client relationship.

“I believe that risk profiling is the greatest opportunity that we as financial planners have to engage our clients in a way where they recognise clearly that we are professionals, that all of our peers are professionals, and we will actually act in their best interests at all times, even if it's to our detriment.”

But Hunt says traditional risk profiling approaches don't necessarily achieve those objectives. She says they are inconsistent between Australian financial services licensees (AFSLs), are often based on questionnaires, are linked to the philosophy of the financial planner and to investing, and consequently are inherently tied to an asset allocation outcome.

“At the heart of risk profiling as I am describing it isn't a questionnaire,” Hunt says.



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FPA FINANCIAL PLANNING
ASSOCIATION OF AUSTRALIA



Classic result

1132km and \$120,000 for Future2

Riders in the 2015 Future2 Wheel Classic rolled into the opening night reception right on cue on Wednesday to receive the accolades of the crowd at the conclusion of an exhausting 1132-km ride from Manly, on Sydney's northern beaches, to the Brisbane Convention and Exhibition Centre.

Looking remarkably fresh, considering, the riders raised more than \$120,000 for the Future2 Foundation, which the foundation will use to make grants to community-based not-for-profit organisations that offer programs for socially and financially disadvantaged young Australians.

The top fundraiser for the 2015 event was Steve Ballinger, founder of Ballinger's Financial Planning, in Dangar, NSW, who raised almost \$12,000 on his own. He was closely followed by Argyle Lawyers managing principal and Wheel Classic veteran Peter Bobbin, who raised just over \$10,000.

Throughout the ride David Dyson, a financial planner with Financial Life Balance in Ivanhoe East, Vic, provided running updates from the road, which you can catch up on at Professional Planner's website - www.professionalplanner.com.au

It's never too late

The exhibition space at the Brisbane Convention and Exhibition Centre is figuratively awash with prizes and giveaways befitting the status of a professionals congress.

A literal highlight is the jars of highlighters available at the NAB/MLC stand, while Morningstar has a Google Chromecast as its major prize. If you're a bit peckish you can pick up some jellybeans from IRESS and then swing past the Randstad coffee cart. Cromwell has a dozen premium wines as a prize and at the Perennial stand they've got a 15-year-old bottle of Penfolds Grange Hermitage as a prize, marking 15 years in business for Perennial Value.

If all of that is a bit much you can work off a few calories at the Cbus putting green; but if you want to go hard, drop into the AIA Vitality stand for what looks like a truly serious fitness assessment (although we don't really know for sure because we didn't hang around there long enough to find out.)

THE PROFESSION GIVES BACK

Thanks to the efforts of the Wheel Classic crew and to everyone who has contributed to Future2, the foundation last night announced \$115,000 in new grants. The total amount distributed by the foundation has passed the \$500,000 mark.

Future2 trustee/director and general manager of Commonwealth Financial Planning Marianne Perkovic said an increase in grants this year was a result of generosity of financial planning professionals and many others connected with the profession.

Space prevents us from listing every grant recipient - the list is available at the Future2 Foundation website (www.future2foundation.org.au).

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