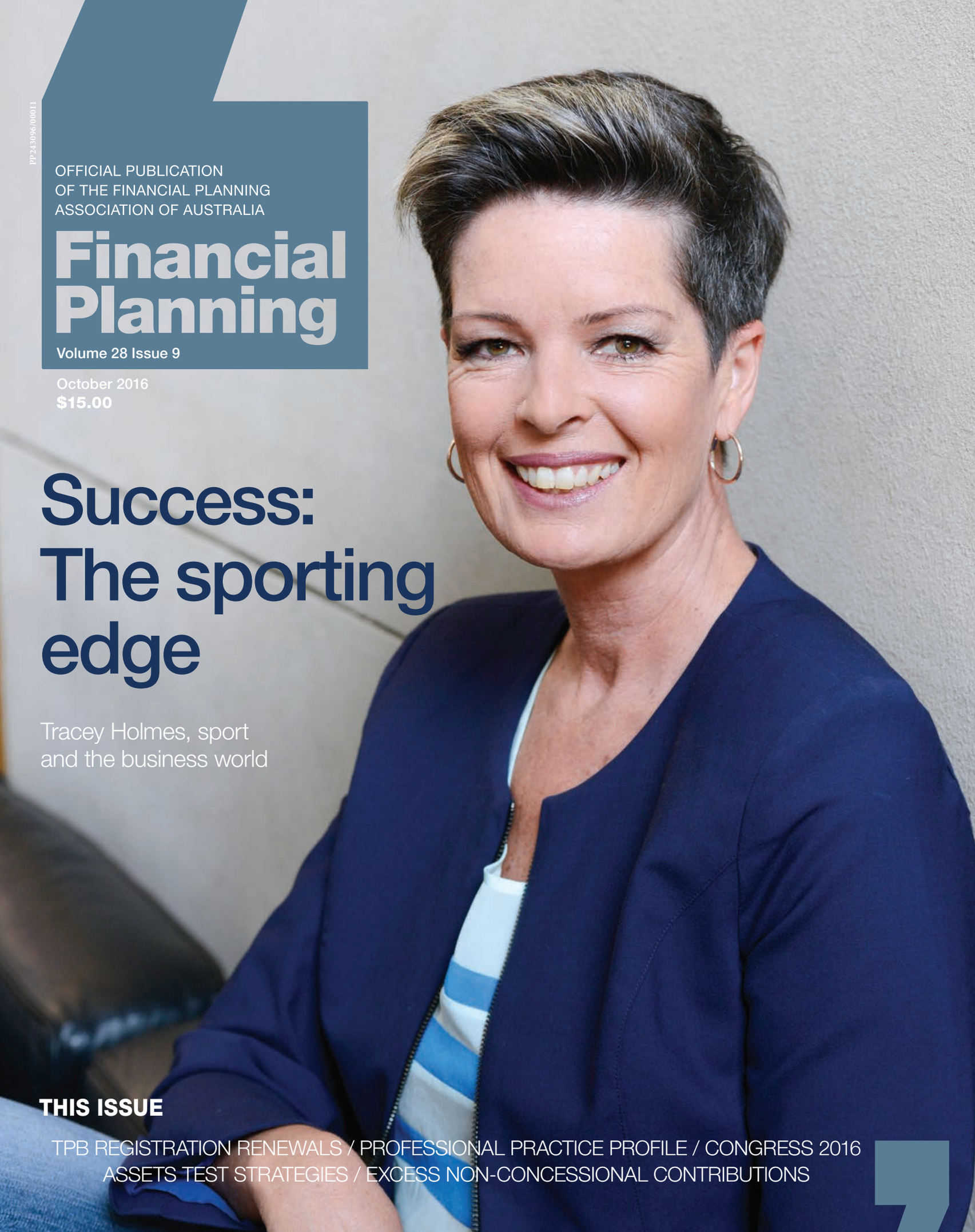
PP 243096/00011

OFFICIAL PUBLICATION
OF THE FINANCIAL PLANNING
ASSOCIATION OF AUSTRALIA

Financial Planning

Volume 28 Issue 9

October 2016
$15.00



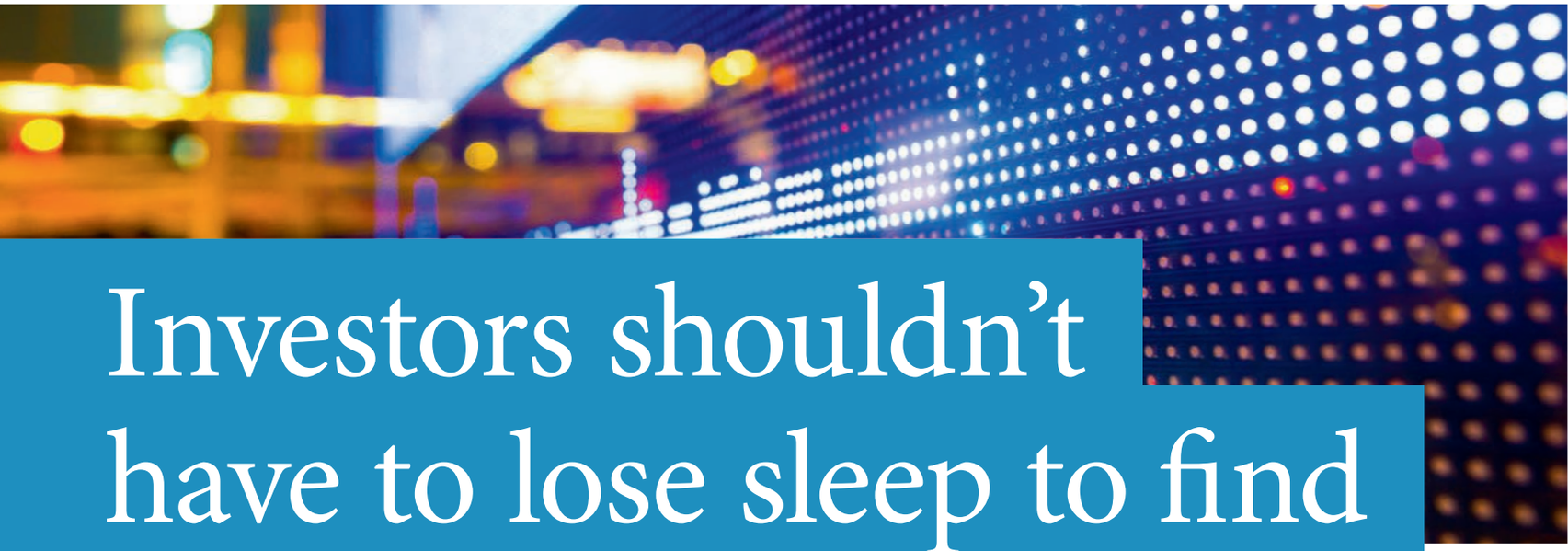
Success: The sporting edge

Tracey Holmes, sport and the business world

THIS ISSUE

TPB REGISTRATION RENEWALS / PROFESSIONAL PRACTICE PROFILE / CONGRESS 2016
ASSETS TEST STRATEGIES / EXCESS NON-CONCESSIONAL CONTRIBUTIONS

PIMCO®



Investors shouldn't have to lose sleep to find income.

PIMCO INCOME SOLUTIONS

PIMCO INCOME FUND

PIMCO AUSTRALIAN FOCUS FUND

PIMCO GLOBAL CREDIT FUND

PIMCO CAPITAL SECURITIES FUND

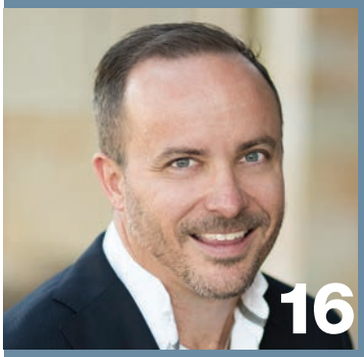
In today's low-yield world, it's hard for investors to find the income they need without taking more risks than they are comfortable with. PIMCO income solutions are designed to generate attractive yields in varying market conditions, while staying focused on managing risk and volatility.

See how this suite of funds can play a role in your overall strategy at **pimco.com.au/income**

FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

Contents

October 2016



Financial Planning Magazine is the official publication of the Financial Planning Association of Australia Limited (ABN 62 054 174 453)
• www.fpa.com.au • fpa@fpa.com.au • Level 4, 75 Castlereagh Street, Sydney NSW 2000 • Phone 02 9220 4500 • Fax 02 9220 4580

General Manager: Zeina Khodr
T: 02 9947 2413
E: zeina.khodr@colloquial.com

Level 7, 235 Pyrmont Street
Pyrmont NSW 2009
T: +61 2 9947 2222
www.colloquial.com

Managing Editor: Jayson Forrest
M: +61 416 039 467
E: jaysonjforrest@gmail.com

Advertising: Suma Donnelly
M: +61 404 118 729
E: suma.donnelly@colloquial.com

Colloquial
A J.Walter Thompson unit
www.colloquial.com

MIX Paper from responsible sources FSC® C015306

cab CIRCULATIONS AUDIT BOARD

Average Net Distribution
Period ending Sep '15
11,265

Photography/Images:
Adobe Stock

Never a dull moment

We recently announced a four year strategic plan called Laser 2020. Now the plans are in place, it's time to bring them to life.

For those who missed the last edition, I outlined a plan that will provide direction for the next leg of the FPA journey, up until 2020.

The planning phase was an intensive period of time, whereby the FPA Board and leadership team thought long and hard about how we can best support you through an ongoing period of change.

Under the Laser acronym, L is for the leadership role we are committed to continue playing over the coming years. It also represents our role in leading and engaging with government and regulators for higher industry standards.

Over the coming weeks and months, we expect our leadership resilience to be tried and tested as we strive to secure the best possible outcomes for you and your clients. We have already had developments on superannuation, however, much clarification is still required.

Now that Parliament is sitting again, we also expect movement on the Life Insurance Framework, and education and professional standards reforms in the near future.

Whilst these are the big issues everyone is talking about, there are many other issues that we are working on behind the scenes. For example, the new ASIC funding model due to commence on 1 July 2017 is a big concern, in that it will mean significant cost implications for small businesses that own their own licence.

Also on our agenda, is the ongoing discussion about whether there should be a Royal Commission and the last resort compensation scheme, the developments around digital advice legislation and the review of External Dispute Resolution schemes.

Added to that, continual consultation with ASIC, the TPB and other stakeholders on developing guidance for you on a wide range of issues, the last quarter of 2016 is shaping up to be a busy time.

We are always looking for your input on the many consultations and submissions we undertake. If you would like to share your views on any policy matters, we'd love to hear them. Simply email us at policy@fpa.com.au.

Taking time out

With so much happening, it's important to remember to step away from the day-to-day and look at things with a fresh perspective. Similarly to working 'on the business' instead of 'in the business', this often means getting out of the office. That's exactly what the 2016 FPA Professionals Congress in Perth is all about.

Last month we were excited to announce our full line-up of Congress speakers, including Socceroos' head coach Ange Postecoglou, sports journalist and commentator Tracey Holmes and heroic Qantas pilot, Richard de Crespigny.

They join our previously announced speakers, Anna Meares and Andrew Denton who are both back by popular demand.

Together, our speakers will encourage us all to be resilient and ready to embrace the challenges that lie ahead. Each will share their insights and personal perspective on getting Future Ready.

This edition also includes our speaker line-up for our 24-strong workshop program which provides up to 15 CPD hours (including three ethics hours), plus technical and practical learning across four very different streams. This three day event is something you don't want to miss.

For more on our 2016 Professionals Congress, head to page 20.

Enjoy the edition.

With so much happening, it's important to remember to step away from the day-to-day and look at things with a fresh perspective.

Dante De Gori CFP®
Chief Executive Officer

Follow Dante on Twitter @ddegori10

Now available via the Colonial First State FirstChoice platform **challenger.com.au/careplus**

Moving a loved one into aged care is a complex and often emotional process.

To help you help your clients during this difficult time, Challenger has developed a tailored solution for the aged care market: CarePlus.

Challenger CarePlus is designed for people who have been approved to receive Government-subsidised aged care services through an Aged Care Assessment Team or Service (ACAT/ACAS).

Clients eligible for CarePlus will receive:

- a fixed, regular income for life
- a reduction in aged care fees and an increase in Age Pension in many cases
- a guarantee that the full amount invested is repaid to beneficiaries upon death.[1]

CarePlus is now available via the Colonial First State FirstChoice platform. This makes it easier to provide clients with more choice and lets you manage their investments more efficiently.

Visit **www.challenger.com.au/careplus** to find out more.

1. Residents of South Australia will receive 100% of the amount invested less stamp duty payable.

challenger

23011/0816

Keynote speakers line-up for Congress

The full line-up of keynote speakers for this year's FPA Professionals Congress has been announced, with each speaker drawing upon their own experiences to address what it takes for delegates to be Future Ready - both personally and professionally.

Leading the line-up and back by popular demand is **Andrew Denton**, who will again challenge the thoughts and opinions of delegates around an ethical dilemma close to his heart - the right to die with dignity.

Also joining Denton is current Socceroos head coach, **Ange Postecoglou**, who will speak about leadership and empowerment, whether it be a team, your staff or your clients.

As one of Australia's most successful female cyclists, Olympic champion cyclist, **Anna Meares** OAM will share her inspirational story of perseverance and determination to come back from having sustained major injuries at the 2008 World Cup, to be named a four-time Olympian and two-time Olympic champion with six medals.

Richard de Crespigny successfully piloted damaged Qantas aircraft QF32 to safety. He will share his story of how to use your professional instinct and skills in situations of extreme pressure.

Ange Postecoglou

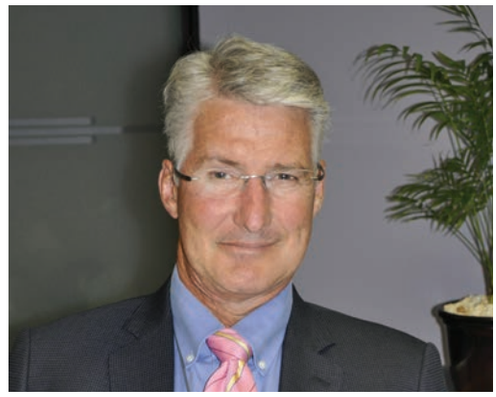
Joining the line-up of speakers is **Dr Michael Holt.** Having endured a tragic car accident at the peak of his career, Dr Holt underwent nearly four years of rehabilitation to get back into the workforce as a practising orthopaedic surgeon. He will share his story of determination and courage, while exploring what it really takes to thrive during times of great adversity.

And rounding off the keynote speakers is sports journalist and commentator, **Tracey Holmes**, who will share her insights on what sport can teach us about leadership and success. (To read more about Tracey Holmes, go to page 20.)

"This year's FPA Professionals Congress is all about encouraging delegates to be bold, resilient and ready to embrace the challenges that lie ahead," said FPA chief executive officer, Dante De Gori.

"Our keynote speakers will play a crucial role, sharing their insights and ideas to help delegates prepare for future opportunities."

The FPA Professionals Congress offers delegates the opportunity to earn up to 15 CPD hours, including three ethics hours. For more information about these keynote presentations or to register, go to fpacongress.com.au



Dr Michael Holt

Government announces super changes

On 15 September, the Turnbull Government announced significant changes to the proposed superannuation reforms, providing greater clarity for financial planners and their clients around superannuation.

Most notable is the removal of the contentious retrospective $500,000 lifetime non-concessional contributions cap, which the FPA strongly advocated for since the Federal Budget.

The following is an outline of the key proposals:

- The $500,000 lifetime non-concessional contributions (NCC) cap has been removed.
- The Government has announced a reduction of the current annual NCC cap from $180,000 to $100,000 from 1 July 2017. This will mean individuals can continue to contribute NCCs of up to $180,000, and use the bring forward to $540,000 this financial year. The three-year bring forward provisions will remain as per the current provisions based on the lower cap. No NCC contributions will be allowed once the proposed $1.6 million transfer cap has been reached.
- The reduction to a $25,000 concessional contribution cap will remain in place and commence from 1 July 2017.
- The concessional contribution catch up provisions have been delayed and will now not commence until the 2019/20 financial year.
- The Government has confirmed that Division 293 tax on superannuation will be reduced to individuals with salaries above $250,000 per annum.
- The Government has also altered its position on the removal of the work test for those aged over 65.

For more information, go to wwww.treasury.gov.au

ADVISER USE ONLY

THE INVESTMENT SPECIALIST SERIES

WHEN IT COMES TO INVESTING FOR RETIREMENT

WE LIKE TO SEE THE BIGGER PICTURE

Through challenging economic conditions and a changing retirement landscape it's often easier to focus on short-term wins rather than focussing on the bigger picture.

Now more than ever, it's important to ensure your clients' retirement portfolio includes the right mix of investment solutions to last the distance of a modern retirement.

Equities based investment funds like Stewart Investors Worldwide Sustainability Fund and the Colonial First State Australian Equities Growth Funds focus on robust strategies, aiming to achieve long term capital growth so that your clients can reap the benefits of their investments throughout their retirement journey – however long that may be.

Talk to your Colonial First State BDM today to find out more about the Stewart Investors Worldwide Sustainability Fund.

Get the full story from the specialists
colonialfirststate.com.au/specialist

Stewart Investors

FORWARD TOGETHER

Colonial First State

ASIC guidance on digital advice

The industry regulator has released its guidance on providing digital financial product advice for retail investors: Providing digital financial product advice to retail clients (RG 255).

ASIC's guide brings together some of the issues that digital advice providers need to consider when operating in Australia – from the licensing stage through to the actual provision of advice.

Regulatory Guide 255 also includes guidance on some issues that are unique to digital or automated advice, such as how the organisational competence obligation applies to digital advice licensees and the ways in which digital advice licensees should monitor and test their algorithms.

In announcing RG 255, ASIC Deputy Chairman Peter Kell said: "ASIC is committed to encouraging innovation that may benefit consumers. Our guidance on regulating digital advice is a useful starting point for those providing or intending to provide digital advice in Australia.

"ASIC supports the development of a healthy and robust digital advice market in Australia as a convenient, low-cost option for retail clients, and our guidance will help ensure that consumers can have confidence when they deal with digital advice providers."

Peter Kell

Kell acknowledged that digital advice continues to be a developing area of the industry which requires continuing observation.

Regulatory Guide 255 stipulates that, under the Corporations Act, existing AFS licensees wanting to provide digital advice will need to consider whether their current licensing arrangements enable them to do so.

Start-up fintech businesses wanting to provide digital advice must apply for their own AFS licence or become an authorised representative of an AFS licensee.

For more information on RG 255, go to www.asic.gov.au

> "ASIC supports the development of a healthy and robust digital advice market in Australia as a convenient, low-cost option for retail clients..."
>
> – Peter Kell

FPA Board elections underway

Eligible FPA members are reminded that voting for the three vacant FPA Board member positions close on 18 October.

The three member elected Board positions are available as a result of the expiry of terms for Neil Kendall CFP®, Mark O'Toole CFP® and Julie Matheson CFP®.

However, despite serving his two terms, Kendall has been appointed by the Board as an additional director and also as FPA Chair for an additional term.

Julie Matheson has served two terms as an FPA Board member and must now retire from the Board in accordance with the FPA's constitution. Matheson has served as the Western Australia Chapter Chair from 2005-2006 and has undertaken numerous committee appointments over the past 20 years in the areas of regulations, the Diploma of Financial Planning DFP8, PI insurance, SOA and risk management.

During her period on the Board, Matheson made a substantial contribution to the FPA. Her Board committee responsibilities have included: Audit, Chair of Education and Member Services, Member Engagement, Remuneration and Succession Planning Committees.

She is currently Chair of the Professional Designations Committee, and a member of the Governance and Remuneration Committee.

Having filled a vacancy on the Board as a result of Peter O'Toole's departure last year, incumbent Board director, Mark O'Toole will re-contest his position.

Only CFP® practitioners, AFP® professionals and Associate members of the FPA are eligible to vote.

For more information on the Board candidates, go to fpa.asn.au. The results of the FPA Board elections will be announced on 25 October.

Scholarships/prizes aid Griffith students

Griffith Business School has partnered with GPS Wealth and Sunsuper to offer two new prizes/scholarships for students majoring in Financial Planning at Griffith University.

As part of its partnership with Griffith, Sunsuper has introduced a $5,000 scholarship to assist women in the financial planning profession.

In announcing the scholarship, Sunsuper National Manager of Retail Distribution and Advice, Anne Fuchs acknowledged the struggle women faced in regards to juggling home and work life.

"Sunsuper is excited to be partnering with Griffith Business School to help a female financial planner grow and develop her career within the financial advice industry," Fuchs said.

"I think it's important to support advancing women into the financial advice profession because we naturally bring a lot of important qualities to the table that will support clients' trust and understanding."

To be eligible for the scholarship, students must be in their second year of the Bachelor of Commerce degree program, with a Financial Planning major.

Mark Brimble

Along with the $5,000 scholarship, the successful student will also be offered either a period of work experience at Sunsuper or attend one of Sunsuper's professional development days.

Griffith has also partnered with GPS Wealth, which is offering a $3,000 prize for second year or above students who are enrolled in the Bachelor of Commerce program majoring in Financial Planning and who are experiencing financial hardship. The award is presented to a student who has a top 10 result in Semester 1, 2016.

The $3,000 prize will cover flights, two nights' accommodation, costs and registration to the FPA Professionals Congress or another planning conference at the winner's discretion.

Griffith University Professor, Mark Brimble said the prize will provide winning students with an amazing opportunity to immerse themselves in the financial planning profession and help them build the foundations for a successful career.

"Building a professional network is often a real challenge for students," Brimble said.

"This prize gives students a chance to make literally hundreds of contacts over the course of three days. This prize is a rare opportunity to see the industry in action and network with a range of industry players."

The GPS Wealth prize will be awarded once a year for the next three years.

The FPA congratulates the following members

who have been admitted as CERTIFIED FINANCIAL PLANNER® practitioners.

NSW

William Rainger CFP®
Wealth Partners Financial Solutions

Scott Ungaro CFP®
Profile Financial Services

Kurt Prebble CFP®
Mortgage Choice Financial Planning

James Basche CFP®
Shadforth Financial Group

Toby Perkins CFP®
Commonwealth Financial Planning

VIC

Craig Thwaites CFP®
Securinvest Financial Planners

Christopher Carlin CFP®
VicSuper

Adam Brady CFP®
Income Solutions

Gareth Daniels CFP®
Income Solutions

Onur Serbest CFP®
Shadforth Financial Group

Dylan Cresswell CFP®
Ausure Financial Group

Yanish Geerdharry CFP®
Anne Street Partners

Elise Ryan CFP®
Income Solutions

Kristina Low CFP®
McQueen Group

Dean Wansbrough CFP®
Securinvest Financial Planners

Luke Bolzonello CFP®
Securinvest Financial Planners

Jeff Yacoub CFP®
Argent Street

QLD

Jessica Wright CFP®
Q Invest

SA

Simon Harding CFP®
Harding Wealth Management

WA

Jia Sing (Joy) Chang CFP®
PMM Financial Advisors

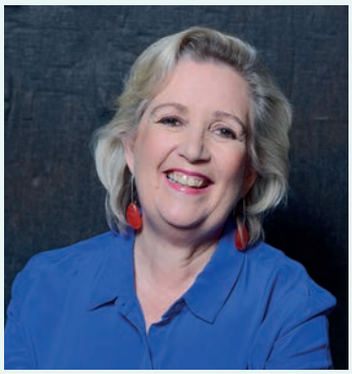
More Australians Dare to Dream

This year's 16th consecutive Financial Planning Week (22-28 August) was a resounding success, with the Dare to Dream aspirational videos being viewed over 269,000 times on Facebook.

Wrapping up this year's event, FPA chief executive officer, Dante De Gori said the Dare to Dream theme successfully managed to change the conversation amongst Australian from money to dreams.

"We wanted to inspire Australians of all ages to think about putting a plan in place to achieve their dreams," De Gori said. "The aim of our Financial Planning Week consumer campaign was to get people thinking about financial planning in a very different way."

The Dare to Dream campaign utilised a range of channels,



Official ambassador, Jane Caro

including videos, national sentiment research, a launch video featuring campaign ambassador Jane Caro, two client transformation videos, an interactive social media quiz and a member toolkit.

"The videos we produced were viewed 269,000 times on Facebook. The most popular video was the story of Isabella, a mid-20s cafe owner looking to expand her business, own her own home and take annual overseas trips," De Gori said.

"Many Australians have similar aspirations, but they are not necessarily thinking about financial advice. We wanted to connect the dots and demonstrate the power of financial advice as a means to achieving hopes and dreams."

De Gori was also pleased that over 10 per cent of FPA members accessed the campaign toolkit, which hosted a wide range of resources to help planners spread the campaign's key messages to clients and their extended networks.

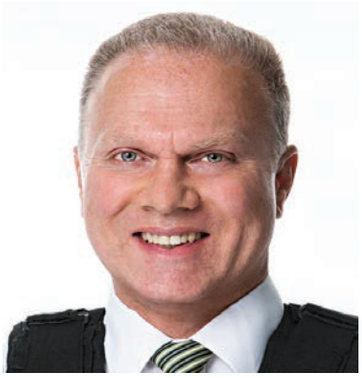
Some of the key results to emerge from this year's Financial Planning Week include:

- **32** articles appeared in national, metro and local print media;
- **295** mentions in radio segments nationwide;
- **8** online features;
- **1** television mention of Jane Caro as ambassador on *Weekend Sunrise*;
- Over **269,000** views of consumer case study videos;
- Over **38,100** reached on Twitter and **194** #daretodream mentions;
- Over **4,100** visits to the online quiz.

De Gori said the FPA would continue to build on the consumer awareness achieved through Financial Planning Week. "As we seek to inspire and engage Australians with their finances and the benefits of seeking professional financial advice, we are working on more exciting consumer initiatives, so watch this space."

Low growth and the art of investment management

Q: In the current low growth, low return, ultra-low interest rate environment, what strategies are you using to maximise your clients' investment returns?



Daryl La'Brooy CFP®

Financial Adviser, Hillross Financial Services
Licensee: Hillross Financial Services

Every client is different. I have clients on the single full Age Pension, who are saving money. Not because they have to, it's just that their current lifestyle, which they are very happy with, means they spend less than $23,000 per annum. Other clients are spending $100,000 per annum in retirement.

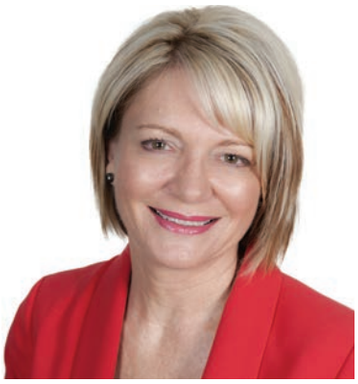
One of the things I have done with clients in recent years is adjust their expectations in relation to investment returns, telling them that long-term annual balanced fund returns may be about 5 per cent going forward on average.

Most of my clients hold cash reserves for emergencies and these funds are usually held in interest paying bank accounts and term deposits. The rates of return aren't high, but they hold these monies as a hedge against short-term falls in the value of their capital.

In terms of income returns, Australian shares paying fully franked dividends are the only asset class providing net returns of around 5 per cent per annum to people who don't pay any tax, such as retirees.

However, in chasing these returns, clients are taking on much greater risk. The risks are short-term capital volatility, cuts in future dividend payments, as we are seeing with companies in the current reporting season, and the possibility that the buyers of these shares are paying relatively high prices for them. Fortunately, many of my retire clients are in a situation where they are living off their income from their investments only and not drawing on their capital.

For clients who are forced to draw on their capital, they'll end up receiving a higher Age Pension, which will lower the rate at which they eat into their investment assets. There is no doubt we are in unfamiliar territory at the moment, especially if the low return environment persists. Hopefully, monetary authorities succeed in re-igniting inflation again, otherwise the outlook for all of us isn't good.



Petra Churcher AFP®

General Manager, ipac South Australia
Licensee: ipac Securities

Clients need to understand that it is harder and harder to find yield without pushing out risk. If expectations are to gain plus 5 to 6 per cent returns, then clients will need to consider increased equities exposure, hence for some clients that means moving out of their own risk profile. This is especially worrying at the moment because there's not a lot of value in the popular income producing investments.

Clients need to be able to be guided to seek the right balance of their goals and risk. We have clients initially focus on non investment strategies that may be available. For example, can current spending be reduced to enable the client to live within the current income being received? Conversely, is it more desirable to spend some capital to maintain lifestyle, while maintaining investment strategies within their risk profile?

We also ensure that clients have sufficient 'cash/conservative buffer' to ride out potential volatility. We then consider alternative investments which may improve yield.

We believe that diversification remains important in today's world and therefore, we initially focus on any investments where the manager relies purely on tactical asset allocation. We investigate whether goal-based investments, which focus on yield or areas of the market, will actually drive returns in the future.

Also, where appropriate, we focus on investments which provide more active returns that are not correlated to traditional asset classes. Where direct equities are concerned, we then focus on companies that have a history of always paying a regular dividend.

Mark Hayden CFP®

Financial Planner, Hayden Financial Services
Licensee: Hayden Financial Services

Long-term investors can still generate attractive long-term returns in this environment. Even in the current low growth and low interest rate environment, the basic economic principles still apply. And, of relevance to investors, businesses that produce desired goods/services will be able to sell them at a price greater than the cost of production.

Investors share in these profits but in a very lumpy manner, which is fine for investors who have the required level of safe, secure funds. These funds ensure the investor does not need to sell long-term investments at unfavourable prices.

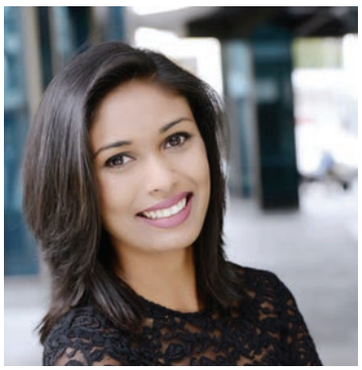
Cash and term deposits provide this safety and security and it is the 'return of', not 'return on', the money that is important for this part of the 'bucket'. The remaining investments can be focused on long-term returns.

An active or passive approach can be employed for part-owning businesses but there is no need to over complicate investments by unnecessary trading (a zero sum game) nor by adding asset sectors that generate lower long-term returns.

Interest rates can be described as the rental price of money. In this sense, money is almost rent-free at present – but the big catch is that the money must be handed back at some stage. Hence, borrowing for consumption is, as always, a bad action. Borrowing to invest is good if asset values increase but bad if asset values decrease.

The weight of money is forcing up the price of investments, such as property, infrastructure and shares. After the price increases, the future returns are lower than they would have been before the price increases. Importantly, in this environment, low inflation is a positive for long-term investors, especially those in the drawdown phase.

In summary, long-term investors can be well placed but it's not an easy environment for the fund managers (because they need to justify short-term returns) nor for the financial planning advisory profession (because they can be misled by the noise).



Sunitha Chamala CFP®

Strategic Wealth Adviser, Elston
Licensee: EP Financial Services

In this low growth and low return environment, it is tempting for investors to abandon their investment strategy in hope that they will be rewarded with higher returns in the short-term.

However, our focus continues to be on bringing clients back to the basics, reminding them of the importance of following a disciplined investment approach, which will successfully preserve and grow their capital over the longer term.

In the management of client funds, we believe effective diversification and asset allocation are key, employing tactical and strategic asset allocation strategies to balance risk and return.

Managing deviations from target exposures through disciplined and regular rebalancing prevents overexposure and allows us to take advantage of market fluctuations Managing portfolios with a focus on providing the most effective after-tax outcomes for clients can provide an additional return of up to 1 per cent per annum without taking on additional investment risk. This additional return over a long investment timeframe can result in a much different outcome for clients.

Individual investment selection is ultimately driven by client needs, with a greater focus on growing income streams for those clients who are reliant on their investments, and on the effective allocation of capital and reinvestment of income for those clients accumulating wealth for the future.

While it's important to anticipate and adapt to the ever changing environment, we maintain a long-term view in seeking attractive investment opportunities that continue to exist.

Continues on page 14

Have your say. Join the debate on the FPA Members' LinkedIn Forum.

Rob Coyte CFP®

CEO and representative, Shartru Wealth Management
Licensee: Shartru Wealth Management

The conundrum of achieving returns and managing risk have changed dramatically as financial markets have become addicted to the accommodative monetary policy of the world's central bankers.

Assets typically considered safe, such as traditional fixed interest and cash, by virtue of the current low interest rate environment, have become a poor risk/return option.

Low interest rates have also seen the chase for yield go into other assets, such as residential property and high yielding stocks epitomised by infrastructure stocks and AREITs. Again their valuation, along with any 'normalisation' of interest rates, makes them a very poor risk risk/return option for investors.

Besides trying to generate a return, investors need to be mindful of the risks and how the emergence of these risks could adversely impact upon any investment strategy.

Nevertheless, whilst managing risk, investors still need to generate a return today to pay for pensions. This is best done through looking at investments with sustainable yield or income for the bulk of the expected return.

Consideration also needs to be made to the potential for capital loss in regards to market revaluations of these assets should circumstances change, namely, the 'normalisation' of interest rates. Investments including businesses (shares) and property structures with high levels of debt, need to be avoided.

We are looking at opportunities in non traditional debt markets where we can get a reasonable yield but also preferably buying the debt at a discount to face value.

We like unlisted assets where the price of the underlying 'real' asset is reflected in the value of the price you pay to get into the asset.

AREITs are all trading at premiums, some quite large, which makes no sense if you believe that the pursuit for any sort of yield by investors will eventually end one day.

Investors need to focus more on private equity opportunities and alternative assets to provide negative correlation within the portfolio to protect against risk and to generate the required returns.

Would you like to join our panel of FPA members willing to give their opinion on topical issues?
Email **fpmag@colloquial.com** to register your interest.

Check your Tax Practitioner Board (TPB) registration renewal date

Ian Taylor reminds planners and licensees to check when they will need to renew their TPB registration.

Are you one of the 19,000 tax (financial) adviser notifiers who need to be ready to renew your TPB registration from July 2017?

Under the notification option, the earlier you notified, the longer your registration period. For most authorised representatives, your Australian Financial Services (AFS) Licensee may have notified on your behalf.

Around 90 per cent of tax (financial) advisers notified before 31 December 2014, so the bulk of registrations are due for renewal by 31 January 2018.

If you notified between July and December 2015, you may need to renew as soon as 31 July next year.

To find out when your registration expires, check your registration details on the TPB Register (go to www.tpb.gov.au).

Registration renewal dates – under notification

Date you notified	Date your registration
1 July to 31 December 2014	31 January 2018
1 January to 30 June 2015	31 October 2017
1 July to 31 December 2015	31 July 2017

You may need to start preparing now to ensure you will meet the requirements at the time of renewal.

Ongoing registration and the renewal requirements include professional indemnity insurance, continuing professional education (for individuals) and sufficient number obligations (for company or partnership).

TPB professional indemnity insurance requirements

From January 2017, the TPB requires that as a registered tax (financial) adviser, your professional indemnity insurance coverage must include tax advice.

For further information, go to the 'Professional indemnity insurance' section on the TPB website at www.tpb.gov.au

Qualifications and experience requirements

All individuals who notified to become registered must meet qualifications and experience requirements when they renew their registration. To assist you, the TPB has developed a simple online tool to check if you are ready to meet the qualifications and experience requirements.

Check out the online tool at www.surveymonkey.com/r/TT3SZ8H

For further information, go to the 'Qualifications and experience for tax (financial) advisers' section on the TPB website.

Sufficient number requirements

All companies and partnerships that notified to become registered will need to meet the sufficient number requirement when they renew their registration.

This means they will need to have enough individuals in their company or partnership who are registered tax (financial) advisers or tax agents to ensure that the tax (financial) advice services that the company or partnership provides is to a competent standard and to carry out supervisory arrangements.

For further information, go to the 'Sufficient number requirement for partnership and company registered tax (financial) advisers' on the TPB website.

To find out if you are ready to renew your registration, use the following checklist.

CHECKLIST

Information required to renew your registration

✓ Professional indemnity insurance policy that meets TPB requirements.

✓ Details of any events that may affect your eligibility for registration, including fit and proper requirements and overdue tax obligations.

Additionally, for individual tax (financial) advisers:

✓ Copies of certificates and academic transcripts including subject/unit details, as required, to show you have completed the required qualifications.

✓ A statement of relevant experience to show you have the required experience.

✓ Details of voting membership for any recognised tax agent or tax (financial) adviser association if applicable.

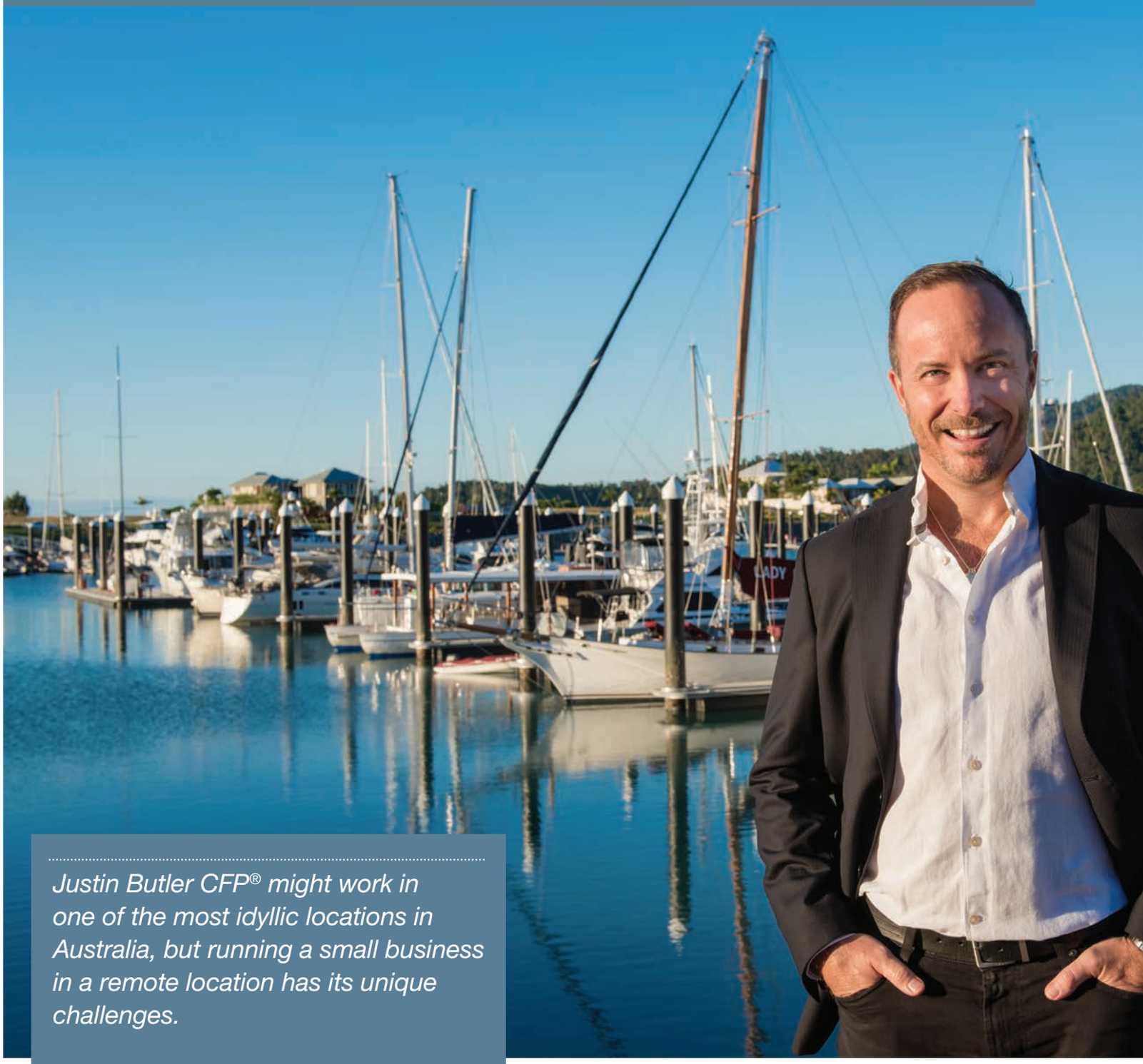
Additionally, for partnership and company tax (financial) advisers:

✓ Names and registration numbers of the registered individual tax agents or tax (financial) advisers forming the sufficient number requirement to provide tax (financial) advice services to a competent standard and to carry out supervisory arrangements.

✓ Schedule of personal details completed for all directors and partners who are not registered with the TPB, as these individuals are all required to meet the fit and proper person requirement.

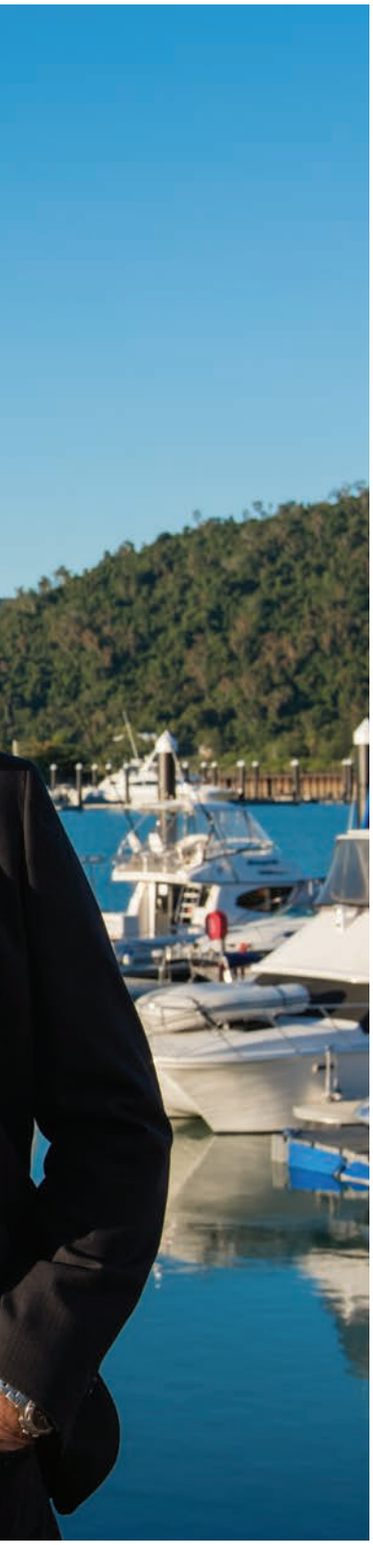
Ian Taylor is Chair of the Tax Practitioners Board.

The Airlie bird special



Justin Butler CFP® might work in one of the most idyllic locations in Australia, but running a small business in a remote location has its unique challenges.

Jayson Forrest reports.



You would be hard pressed to find a more picturesque location to run a financial planning practice than the Whitsunday destination of Airlie Beach. But for the principal of Eclipse Financial Services, Justin Butler CFP®, the balmy days and casual lifestyle of this tropical town comes with its own set of challenges - namely, isolation.

"The Whitsunday shire covers Airlie Beach, Proserpine and Bowen, and Eclipse Financial Services is the only financial planning practice in those three towns. You'd think that might be a good thing, but we just don't have the skilled staff to choose from. So, that's a huge challenge for us," Justin says.

"Historically, it's hard to find quality staff in such a small town. We've had a lot of good planners and mortgage brokers come through but often only on a two year 'working holiday'. No sooner would they join us than they move on, as they are not used to living and working in such a small, isolated regional area."

However, Justin is overcoming this staff continuity problem, having been fortunate to work the past four years with another CFP® professional - Nick Haratsis - who previously was the practice's first paraplanner, some 13 years ago.

"It makes a real difference having another practitioner in the business who is from this area and loves living here."

Another challenge facing the practice is the downturn in the economy and the affect that is having on regional communities, including the Whitsunday community.

"Being a regional area situated at the top of the Bowen Coal Basin, we are influenced by the mining industry, which has been hurting for the last few years. Thankfully, Airlie Beach, as the gateway to the Whitsunday islands, also has a vibrant tourism industry, which has been strong over this period. That has helped sustain us."

While working in a regional town does throw out distinct challenges for the 45-year-old, Justin draws strength from belonging to a tight regional community that is growing quite rapidly. For him, community involvement goes beyond being a good citizen; it's being part of the lifeblood that sustains that community. And that, he says, is what being a professional is all about.

"I admit it. When it comes to involvement in my local community, I'm too involved," he says.

"I'm the president of the local Whitsunday Sportspark, which is Airlie Beach's only multi use sporting grounds. I've spearheaded a Precinct Redevelopment Plan over the last 12 months and I'm happy to say that in the last month, we've secured a total of $4.2 million across the three levels of government to build a major sports club that includes a bar, bistro, gaming room and change rooms."

His strong advocacy of community involvement has also rubbed off on his staff, with some involved on the Board of the local Family Day Care association.

"We also provide bookkeeping services to various sporting groups at cost, so we only charge them our bookkeeper's hourly rate with no mark up. It's a great way to help these not-for-profit groups," he says.

Practitioner Profile

Name: Justin Butler CFP®
Position: Principal
Practice: Eclipse Financial Services
Education Qualifications: CFP®, DipFP
Years as a financial planner: 25 years
CFP® designation: 2001

Professional Practice Profile

Practice: Eclipse Financial Services
Established: 2003
Licensee: Professional Investment Services
No. of practitioners: 2
No. of CFP® practitioners: 2
Professional Practice since: 2011

Systems

Justin doesn't deny that Airlie Beach has a casual and relaxed vibe to it, with a justified reputation for being a 'party town'. But don't think that relaxed approach carries through to his practice. Instead, many industry visitors to his practice have remarked on his systemised approach to business. It's something he is justifiably proud of.

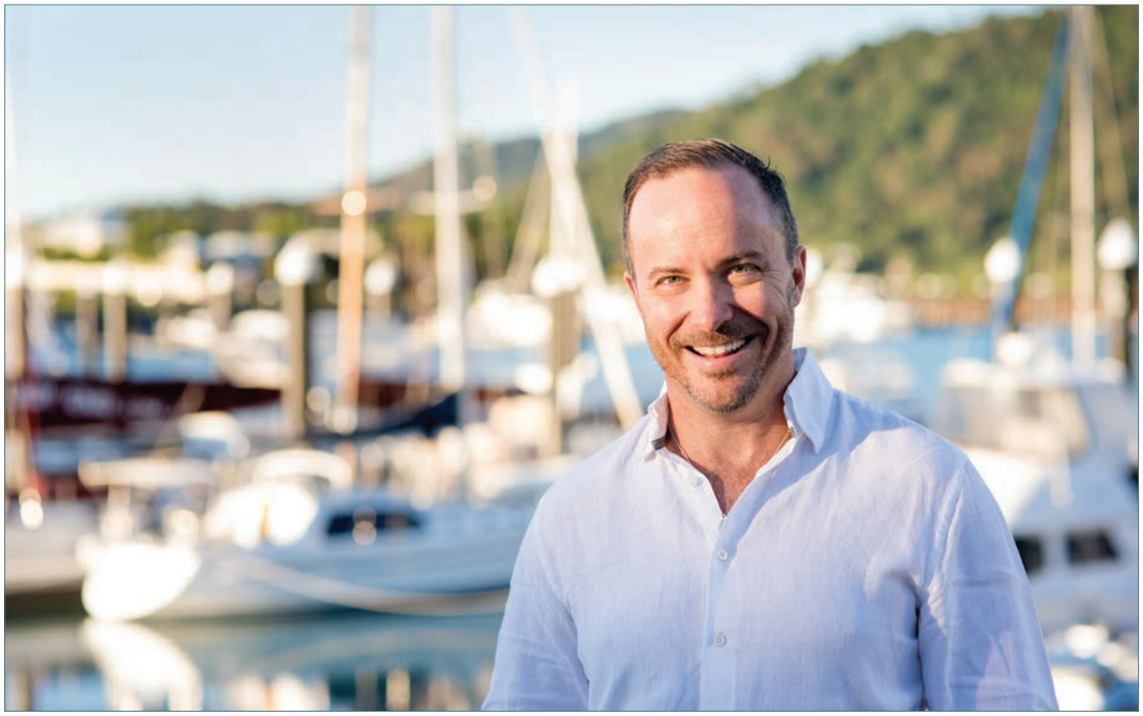
Justin credits a Business HealthCheck in the early days of the practice as being one of the triggers to begin implementing better internal systems.

Continues on page 18

Business HealthCheck is an online diagnostic tool that provides planners with an analysis of the key business drivers within their practice. It also includes practical ideas and actions to help further enhance a planning business, while further benchmarking the practice against peers and competitors.

"The Business HealthCheck really got us thinking. Instead of just opening up a practice and doing what needed to be done, it made us think about what we were trying to achieve," Justin says.

"So, in 2004, we started out on the path towards systemising, mapping out and recording all the processes undertaken in our practice. We've been using the thread functionality in Xplan for over 10 years to ensure all the things we deliver to clients are delivered thoroughly and consistently. While this is fairly commonplace in the profession now, back then, very few planners were doing this."



"Being an FPA Professional Practice was validation for them that they were dealing with a practice that also adhered to the highest professional standards..."

As part of this systemisation of the business, in 2005, Justin adopted the concept of model portfolios for different risk profiles. "As we run disciplined model portfolios, we know clients are getting a standardised approach to investment selection, with over 11 years of historical performance data that we can draw upon."

Justin is adamant that a standardised approach to investment selection does work for different risk profiles. "If you walk into our practice and you're a balanced investor, you will get exactly the same portfolio of managed funds that the next balanced investor gets, while a growth investor will get a slightly different portfolio - same funds but different weighting. Again, a lot of firms probably also do that these days but we adopted this approach about 12 years ago.

"And about eight years ago, we started putting in a lot of time and money into monitoring the performance of those portfolios. So, we can now quote 11 year returns that are pretty robust."

But isn't this just template advice for clients? Not so, he says.

"While we do have a standardised approach to investment selection, every client receives tailored strategic advice. However, there's not a lot of difference in the types of investment portfolios we recommend. I've based this on what works after 25 years of being a financial planner," he says.

"We do make some minor variations based on stages of life. For example, with a client who is starting to drawdown in retirement, we use the bucket system. But ultimately, the core of their portfolio will still be the same as the one we use for any other client with a similar risk profile."

Even with this approach to portfolio construction, Justin is very much an active investor. He believes that if he is not consistently outperforming the index in his various risk profiles and asset allocation ranges, then why should clients pay for active managers?

"We may as well go back to an index fund if we haven't got the skill to select managers that are going to outperform," he says.

"In terms of our approach to investing, we actively monitor, report on and compare our returns to peers and benchmarks. We're not afraid to say that if we can't demonstrate delivering long-term alpha on net investment selection, then we're better off indexing. When it comes to our clients, we are active investors and can happily demonstrate long-term index outperformance."

It's this approach to investing that Justin believes is one of his keys to delivering a high quality experience for clients.

"Our core belief in what we do is peer review," he says. "If you can't confidently explain and justify what you do with every aspect of your practice to a room full of your colleagues, then you must question some of the things you are doing."

The other key to delivering a high quality experience for clients is "simplifying complexity" for them.

"This means helping everyday people understand the complexity of the financial world, while guiding them towards better choices, leading to better futures. So, education and ongoing client service are real strengths of our practice and ensure that we are constantly delivering a quality experience for our clients."

Professional Practice

Eclipse Financial Services became an FPA Professional Practice back in 2011, when the brand was first introduced by the FPA.

"My decision to sign up and commit to the brand were threefold," Justin says. "Firstly, to support the FPA as the peak body advocating for the profession. Secondly, to garner recognition with clients and from within the industry that we're a quality practice that adhere to the highest professional codes, and thirdly, to leverage the referral services that the FPA has organised with some of the industry funds."

But for Justin, being a Professional Practice is more than just third party validation of service quality and planner experience. It means committing to the profession's highest professional and ethical standards, which has brought recognition from aligned professionals, including accountants, that the practice works with.

"We deal with all the local accounting firms, so being an FPA Professional Practice was validation for them that they were dealing with a practice that also adhered to the highest education and professional standards. Accountants all have their CPA and CA professional practices, so being an FPA Professional Practice aligned us more with them as professionals. It's been good for our business."

Today, Justin still uses the free Business HealthCheck as part of his benefits of being an FPA Professional Practice, which helps him recalibrate his business. "I did my first Business HealthCheck about 10 years ago, and then every couple of years after that. My most recent Business HealthCheck was last year, and we're currently going through the Business Health CATScan results," he says. "It's a good measuring tool that refocuses us on where we need to improve and where to direct resources."

Future

And what of the future? While he reckons he is living the dream in Airlie Beach, Justin hasn't gone troppo - yet. He has definite plans for the business, which includes the possibility of opening another office in Brisbane.

"We may only be a small practice but we're progressive and doing some terrific things. We have good systems and processes in place, so there's no reason why we couldn't be as successful in Brisbane," he says.

But does that mean turning his back on the Airlie Beach lifestyle?

"How could you ever do that," he laughs. "What I'm talking about is bringing some of the Whitsunday magic down to Brissie. But definitely no neckties!"

Professional Practice criteria

In order for a financial planning practice to be recognised as an FPA Professional Practice, it must first meet four criteria. These are:

1. A financial planning practice must have at least 75 per cent of practitioners registered as FPA members.

2. At least 50 per cent of the practice's planners are either a CERTIFIED FINANCIAL PLANNER® professional or are in the process of achieving the CFP designation (within three years).

3. The practice must be prepared to uphold the FPA's Code of Professional Practice.

4. The practice agrees to conduct a three yearly review to confirm adherence to the licence criteria described above.

I think there is much more of a correlation between elite sports and the business world than people actually give credit for.

A sporting chance

In a keynote presentation at the FPA Professionals Congress in Perth, sports journalist and commentator, Tracey Holmes will share her insights on what success means to her and the lessons the business world can learn from sport. JAYSON FORREST reports.

Tracey Holmes may be one of this country's most recognisable sports commentators and journalists, but it's not becoming Australia's first female host of a national sports program nor as a pioneer for women in sports journalism that she wants to be best remembered.

Instead, it's by racking up the runs on the scoreboard through her own journalistic skills of uncovering the hidden feelings and intent of those she interviews that she wants to be judged.

It's an admirable objective for this self-confessed sports lover.

But reflecting back on her media career in an overwhelmingly male dominated industry, she admits having to overcome prejudices, but it's not something she cares to dwell on.

"As a woman, I don't think you can actually overcome prejudices because that's in the minds of other people, and that's for them to sort out. Basically, I just set out to do a job that I really enjoyed doing and to do that job as best I could. So, when I started out with my media career, I just ignored those prejudices and kept pushing ahead. You need to be true to yourself and believe in what you do."

And that self-belief has paid off in spades.

Tracey Holmes joins Olympic champion Anna Meares and Socceroos' head coach, Ange Postecoglou, in a keynote presentation that explores what sport can teach us about business, courage, resilience and life.

For more information or to register your attendance, go to fpacongress.com.au

In what is shaping up as a compelling keynote presentation at next month's FPA Professionals Congress, Tracey will draw upon her 27 years as a specialist sports commentator to share her insights on professional sports and the lessons that businesses can learn from sport to enable them to be future ready in the years ahead.

"I think there is much more of a correlation between elite sports and the business world than people actually give credit for," Tracey says. "Elite sport is a multi-billion dollar industry worldwide, it's a growing business. So, the lessons that the corporate world can learn from sport are intermingled. There's the best and the worst from the business world that now impacts on the sports world.

"But the difference with sport is that it has set itself apart from everything else. Elite sport sees itself as being unique and something that shouldn't be interfered with, unlike other areas of society. I think that's one of the great failings in sport."

Tracey is referring to corporate governance; the checks and balances that the business world takes for granted, which are not as evident in sport.

Continues on page 22

"Even when checks and balances have been put in place, the sporting industry is largely checking itself, so there is very little transparency. So, in this respect, I think sport still has a lot to learn from business."

However, Tracey believes one of the key takeouts that business can learn from sport is how to function and succeed in an extremely competitive environment.

"Elite sport functions in a high pressure, high stakes environment, where you have to give your all to succeed because there is little room for failure. If you fail, you have to go back to the start and reset the agenda again."

But despite these extreme conditions, Tracey is adamant that sport creates a positive environment.

"You've got athletes who are high achievers, with high goals. And when they don't succeed, they can't sit about floundering or they won't survive. They have to immediately go back and tackle their goals again or redefine what it is they're looking for. So, in this regard, the business world can learn a lot from that. Re-examine, re-evaluate, re-calibrate and get on with it."

Society

While Tracey identifies some key lessons that both the business and sports world can learn from each other, she also believes there are plenty of societal lessons that sport can teach us, particularly in terms of the qualities it brings out in people and the way in which it unites society.

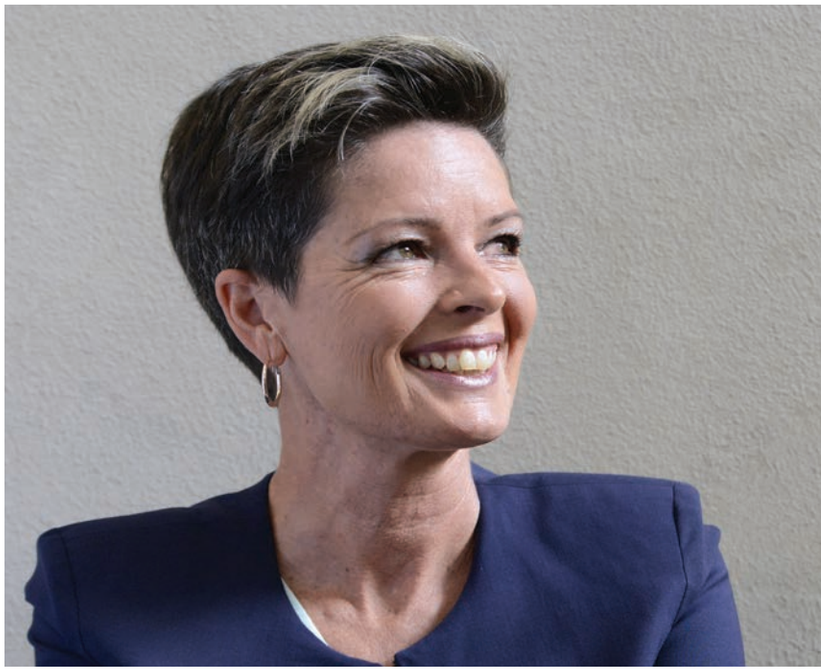
However, she qualifies this by adding that sport can both unite and divide, which also unintentionally highlights the best and worst of society.

"Sport can actually serve as a snapshot of what is happening in the world," she says. "For instance, a media report has re-emerged of crime gangs influencing the professional ranks of rugby league.

"Yet, at the very same, there is a story emerging out of Papua New Guinea, where the elders of a particular area have responded to the rise of crime gangs in their community by starting a rugby league competition. This has encouraged the youth of the area to engage in sport and not the crime gangs, which has resulted in a substantial drop in the crime rate within this community.

"So, you have these joint stories happening at the same time. It shows you what sport can do, but also the limits of what it can do when it oversteps that mark, which is the same as for any business.

"Trying to find that happy ground is a difficult thing. Everybody wants growth, whether in sport or business, but growth comes at a cost, which is something we constantly need to be mindful of."



Influential

Tracey isn't surprised that her chosen career has been so heavily embedded in sports. But it's not her parents she attributes her inspiration for sports journalism. Instead, it's Western Australia sports journalist, commentator and former Australian Rules footballer, George Grljusich, who she credits as having a defining influence on her career.

"George had a larger-than-life reputation. And part of that reputation was that he was no great fan of women in sport - either in the reporting or playing ranks. He was very 'traditionally minded'." That said, it was Grljusich who recognised Tracey's journalistic potential by offering her an ABC sports traineeship.

"Nobody could believe that George made the recommendation for a female to apply for the traineeship. But he did. I really have to thank him because he saw something in me that I didn't even recognise in myself. He was incredibly influential on my development as a sports journalist.

ABOUT TRACEY HOLMES

Tracey Holmes is an Australian journalist, with an extensive career in television and radio, specialising in sport commentary. Since January 2014, she has been a presenter on ABC News Radio.

Tracey began working as a journalist at the Australian Broadcasting Corporation (ABC) in 1989 and was Australia's first female host of a national sports program, *Grandstand*.

As an educator, Tracey has designed programs for, and lectured at, the Australian Film Television and Radio School, the Asian Broadcasting Union and the International Olympic Committee's Young Reporters Program, where she is involved in mentoring young journalists.

She is an award-winning interviewer and has twice been named as a finalist in Australian journalism's most prestigious awards, the Walkleys.

Tracey recently took part in a panel on ABC's *The Moral Compass,* which debated ethics and values in sport.

Tracey has a Masters in Communications from Griffith University and is currently completing her PhD in the geopolitics of sport at the UTS Business School.

> "Everybody wants growth, whether in sport or business, but growth comes at a cost, which is something we constantly need to be mindful of."

"He was one of the truly entertaining and informative broadcasters, who did a great job in teaching me how to weave a story when all you've got is a voice in which to do it."

Inspiration

Tracey considers herself blessed to not only being part of a profession that she loves but also being able to interview truly remarkable individuals who have also helped inspire her.

One such person was legendary American world number one tennis player, Arthur Ashe.

Ashe was the first Afro-American player selected to the United States Davis Cup team and the only Afro-American man ever to win the singles title at Wimbledon, the US Open and the Australian Open.

"Arthur was a fabulous tennis player. And the way in which he carried himself with such grace, despite racial bigotry, was certainly a tribute to his character."

After contracting HIV from a blood transfusion during heart bypass surgery, Ashe worked hard to educate others about HIV and AIDS. He founded the Arthur Ashe Foundation for the Defeat of AIDS and the Arthur Ashe Institute for Urban Health, before his death from AIDS-related pneumonia in February 1993.

"I spoke with him not long before he died and I asked him: 'As a goals-focused person, when life changes so dramatically, what sort of goals do you set knowing that the end is coming a lot sooner than you ever imagined?' He simply replied that his goal was be there for his daughter's eighth birthday," Tracey recalls.

"And what has stuck with me ever since is that it doesn't matter how much success a person has or to what extent you can influence change, when it comes down to it, today becomes the most important day of your life because there are no guarantees you will get to tomorrow. So, Arthur was hugely influential in that regard."

Tracey also nominates Chinese basketball player Yao Ming as another sporting identity who has inspired her.

"He is probably China's most famous athlete. He went to the US and played in the NBA for the Houston Rockets, and was selected to start for the Western Conference in the NBA All-Star Game eight times, and was named to the All-NBA Team five times.

"He has such an amazing story of East meets West and the huge differences in overcoming cultural and sporting divides.

"His whole view on life, sport and international politics has all been shaped through that basketball prism. And the way he sees life and the relationship between East and West is absolutely absorbing. I was so lucky to interview him. We think we see the world but we really don't. This is one man who has really seen the world and experienced it at so many different levels. He was fascinating to listen and talk to."

Advice

Despite Tracey's accomplishments as a highly regarded sports journalist and commentator for well over 25 years, she is still working hard to define her own brand of success.

But what does personal success look like for her?

"Well, it really depends on how you define success," Tracey says. "I really don't think I've got there yet."

She reveals that the best piece of advice given to her came during a period of her career when she was living in Hong Kong.

And what was that advice?

"The important thing when you talk to the Chinese is not what they say, it's what they don't say," she says.

"It's a great piece of advice that's not just relevant to the Chinese, it's relevant to everybody. We're all guilty of telling people something they want to hear and not what you really think.

"One of the greatest challenges in my job is to always try and access the true feelings inside every person I interview. It's about finding out what they really think or what truly defines them. It's about looking for that moment of clarity of what makes somebody tick."

And what about her own brand of success?

"I don't think anybody can look at my life and point to that as being 'successful'," she laughs. "Actually, I don't know who you can look at and say that's 'success', because for every measure of success there's an equal measure of mistakes and lessons learnt.

"I believe if you are looking for success, whether that's on the sporting field or in the business office, it's probably best to look at the people who have failed. Learn from their failure. We can learn from those mistakes, avoid doing them and be better for it," Tracey says. "That's one way of being future ready.

"So, I think it's more important to look at failure than success, if it's success you're truly after."

Tracey Holmes is a keynote speaker at the FPA Professionals Congress. To register to attend, go to fpacongress.com.au

Congress Workshop Program

Industry experts and leading CFP® practitioners fill a program of 24 workshops across four dedicated workshop streams - Evolve, Grow, Engage and Inspire. Each session is accredited with 1 CPD hour. The following is a preview of the sessions.

EVOLVE

Led by industry experts, these sessions will enhance your technical capability and critical thinking in financial planning specialty areas.

Superannuation: How to get the money in!

SPEAKER: **Tracey Scotchbrook**, Director - Superannuation, PKF Lawler

TIME: 8:30am-9:30am, Thursday 24 November
CRITICAL THINKING (1 CPD hour)

This session will give you a valuable update on the latest super changes, as well as practical information to help you optimise the mix of super contributions, deal with excess amounts and understand how the new super rules interface with various concessions.

Strategies for accessing super, tax effectively

SPEAKER: **Con Gotsis**, Director, Pascoe Partners

TIME: 9:40am-10:40am, Thursday 24 November
CRITICAL THINKING (1 CPD hour)

This session is geared around how your clients can best access their super as part of their retirement plan. It will help you identify the key trigger events that lead clients to access their super, and provide the tips and traps of accessing super through lump sum and pension.

Tax effective estate planning

SPEAKER: **Scott Hay-Bartlem**, Partner, Cooper Grace Ward

TIME: 11:20am-12:20pm, Thursday 24 November
CRITICAL THINKING (1 CPD hour)

In this session you'll uncover the fundamental estate planning issues you need to know. This includes the difference between utilising family and testamentary trusts to distribute wealth, and the increasing need for estate planning with SMSFs.

How to manage your best interests duty and manage claims effectively

SPEAKER: **Mark Everingham CFP®,** Managing Director, Personal Risk Professionals

TIME: 1:30pm-2:30pm, Thursday 24 November
CRITICAL THINKING (1 CPD hour)

Learn about when you should (or shouldn't) incorporate insurance inside super versus outside super. Hear about the top five lessons about best interest duty from over the last 12 months, as well as ways to manage claims effectively.

Investing in uncertain times

SPEAKER: **Michael Furey CFP®**, Managing Director, Delta Research & Advisory

TIME: 2:40pm-3:40pm, Thursday 24 November
CRITICAL THINKING (1 CPD hour)

This session will explore key drivers that could impact the current low growth economy, and uncover the latest investment trends and how to access them.

The provision of care: It's not just about the aged

SPEAKER: **Danielle Robertson**, Director, Danielle Robertson Consulting
Alan Thomas CFP®, Practice Principal, Aspire2 Wealth Advisers

TIME: 4:20pm-5:20pm, Thursday 24 November
CAPABILITY (1 CPD hour)

Examine the different types of care your clients may need to make decisions around including in-home care, residential care and the NDIS. This session will delve into each of these different types of care.

GROW

These sessions are designed for the practice management professional and will improve the operational side of your financial planning practice.

Demographic trends impacting your client relationships

SPEAKER: **Andrew Inwood**, Founder and Principal, CoreData

TIME: 8:30am-9:30am, Thursday 24 November
CAPABILITY (1 CPD hour)

Understand how demographic trends are impacting financial planning and how you can better engage with clients.

Ethical challenges: Learning through case studies (1-4)

SPEAKER: **Dan Candura CFP®**, Ethics guru

TIME: 9:40am-10:40am, Thursday 24 November
ETHICS (1 CPD hour)

Using live polling, video and case studies, this session will sharpen your decision-making around challenging grey areas that affect your clients and your business. **Two** of these ethics sessions will appear in the workshop program, each covering different topics and case studies.

Protecting your professionalism

SPEAKER: **Dr June Smith**, Lead Ombudsman, Financial Ombudsman Service

TIME: 11:20am-12:20pm, Thursday 24 November
PROFESSIONAL CONDUCT (1 CPD hour)

Hear important lessons from disputes that have gone through FOS and how you can avoid similar situations. You'll also hear from an insurer/underwriter on how professional indemnity impacted each dispute.

More Ethical challenges: Learning through case studies (5-8)

SPEAKER: **Dan Candura CFP®**, Ethics guru

TIME: 1:30pm-2:30pm, Thursday 24 November
ETHICS (1 CPD hour)

Using live polling, video and case studies, this session will sharpen your decision-making around challenging grey areas that affect your clients and your business. **Two** of these ethics sessions will appear in the workshop program, each covering different topics and case studies.

Working with Centrelink

SPEAKER: **Nicole Della**, Financial Information Service Officer, Centrelink

TIME: 2:40pm-3:40pm, Thursday 24 November
CAPABILITY (1 CPD hour)

Learn how to deal directly with Centrelink and ensure efficient processing on behalf of your clients. This session will also give you an understanding of how the January 2017 changes will impact concession card eligibility.

Latest policy and regulatory update

SPEAKER: **Benjamin Marshan CFP®**, Head of Policy and Government Relations, FPA

TIME: 4:20pm-5:20pm, Thursday 24 November
CAPABILITY (1 CPD hour)

This session will give you all the latest details on changes in financial planning, delivered by the FPA's Head of Policy.

ENGAGE

These sessions will cover how best to engage, grow and develop your clients, your staff and your business.

Are you future ready? Changing the way you work creates opportunity

SPEAKER: **Steve Sammartino**, Digital expert and author

TIME: 8:30am-9:30am, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Technology is causing a shift which will displace dominant players and give rise to new commercial heroes. Are you brave enough to change the way you work? Explore how, regardless of your technical knowledge.

Tapping into clients' dreams: Understanding and engaging with ever-changing clients

SPEAKER: **Mark McCrindle**, Social researcher

TIME: 9:40am-10:40am, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

This session will outline the key attitudes of working-aged Australians towards money and their personal financial futures: gauging their hopes, concerns and dreams about the future.

Engaging clients through social media and building your brand

SPEAKERS: **Corey Wastle CFP®**, Co-founder, Verse Wealth
Olivia Maragna CFP®, Co-founder, Aspire Retire

TIME: 11:20am-12:20pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Using social media is now a core skill for communicating and engaging with clients. Build your brand, your network and trust by sharing content and conversations.

Influence and trust - present with clarity and creativity

SPEAKER: **Dr Louise Mahler**, Communications specialist

TIME: 1:30pm-2:30pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

The trust of your clients is essential. Using influence and clarity to present ideas creatively, and keeping their attention and connection is vital.

Reinventing performance management

SPEAKER: **Alec Bashinsky**, National Partner: People and Performance, Deloitte Australia

TIME: 2:40pm-3:40pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Learn ways to reinvent performance management by creating positive teams and supporting them with the intelligent application of technology.

Engaging clients through communication and connection

SPEAKER: **Chris Helder**, Neuro-linguistic/ Communications specialist

TIME: 4:20pm-5:20pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Learn a fresh approach to client communication that concentrates on understanding those you are trying to influence, in order to create a stronger connection.

INSPIRE

Hone and maintain your own personal development and motivation goals in a series of sessions that will discuss and demonstrate how to be future ready, both mentally and physically.

Boost your brain - and boost your business

SPEAKER: **Dr Helena Popovic**, Brain specialist

TIME: 8:30am-9:30am, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Learn practical ways to improve the functioning of your brain. This session will give you useful tips to sharpen your thinking, improve your memory and help you perform at your peak on a daily basis.

Vocal intelligence: Express certainty and be more engaging

SPEAKER: **Dr Louise Mahler**, Communications specialist

TIME: 9:40am-10:40am, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Working through the seven blockages to authentic communication, you'll learn to challenge current patterns of everyday engagements.

Turn stress into success

SPEAKER: **Dr Helena Popovic**, Brain specialist

TIME: 11:20am-12:20pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Intermittent stress is not bad; it builds up our resilience and switches on performance-enhancing chemicals. Learn how we can use stress to our advantage and gain successful outcomes.

Perform better, smarter: Use smart nutrition to improve your professional performance

SPEAKER: **Graeme Wright**, Corporate athlete coach

TIME: 1:30pm-2:30pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Learn how the modern workplace can incorporate elite science and research to improve professional performance by simply fuelling your body through smart nutrition.

The future of leadership - thinking ahead

SPEAKER: **Gihan Perera**, Futurist

TIME: 2:40pm-3:40pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

The skills you and your team need for future success aren't technical, task-oriented skills, but problem-solving, innovation, collaboration and higher-order thinking skills.

Change your thinking: Have courage and believe in yourself

SPEAKER: **Nadine Champion**, High performance coach

TIME: 4:20pm-5:20pm, Thursday 24 November
ATTRIBUTES and PERFORMANCE (1 CPD hour)

Your life's trajectory will be decided by having the courage to believe in yourself. Winning the battle within yourself is the difference between overcoming a challenge or being stopped by it. Mindset is the decider.

Delegates can pre-select their workshops. To avoid missing out, go to fpacongress.com.au

Earn up to **15** CPD hours

FPA Professionals Congress Program: Future Ready

PROGRAM OVERVIEW

Time	Wednesday 23 November
7:30am	Registration opens
11:30am-2:30pm	Professional Practice Worshop
12:30pm-2:30pm	Paraplanner Workshop
2:30pm	Afternoon Tea
3:00pm	CONGRESS OPENING and KEYNOTE SESSION 1: Ange Postecoglou, Anna Meares and Tracey Holmes
5:00pm-7:00pm	Networking drinks

Time	Thursday 24 November			
7:00am	Networking breakfast			
8:30am	**Superannuation: How to get the money in!** *Tracey Scotchbrook*	**Demographic trends impacting your client relationships** *Andrew Inwood*	**Boost your brain - and boost your business** *Dr Helena Popovic*	**Are you future ready? Changing the way you work creates opportunity** *Steve Sammartino*
9:40am	**Strategies for accessing super, tax effectively** *Con Gotsis*	**Ethical challenges: Learning through case studies** *Dan Candura CFP®*	**Vocal intelligence: Express certainty and be more engaging** *Dr Louise Mahler*	**Tapping into clients' dreams** *Mark McCrindle*
10:40am	Morning Tea			
11:20am	**Tax effective estate planning** *Scott Hay-Bartlem*	**Protecting your professionalism** *Dr June Smith*	**Turn stress into success** *Dr Helena Popovic*	**Engaging clients through social media** *Corey Wastle and Olivia Maragna CFP®*
12:20pm	Lunch			
1:30pm	**Risky business: How to manage your best interests duty and manage claims effectively** *Mark Everingham CFP®*	**More Ethical challenges: Learning through case studies** *Dan Candura CFP®*	**Use smart nutrition to improve your professional performance** *Graeme Wright*	**Influence and trust - present with clarity and creativity** *Dr Louise Mahler*
2:40pm	**Investing in uncertain times** *Michael Furey CFP®*	**Working with Centrelink** *Nicole Della*	**The future of leadership - thinking ahead** *Gihan Perera*	**Reinventing performance management** *Alec Bashinsky*
3:40pm	Afternoon tea			
4:20pm	**The provision of care: It's not just about the aged** *Danielle Robertson and Alan Thomas CFP®*	**Latest policy and regulatory update** *Benjamin Marshan CFP®*	**Change your thinking** *Nadine Champion*	**Engaging clients through communication and connection** *Chris Helder*
6:30pm	Pre-dinner drinks			
7:00pm	Future2 Gala Dinner			

Time	Friday 25 November
7:30am	Women in Financial Planning Breakfast / Networking Breakfast
9:00am	KEYNOTE SESSION 2: Andrew Denton
10:45am	Brunch
12:00pm	KEYNOTE SESSION 3: Richard de Grespigny and Dr Michael Holt
1:30pm-2:00pm	Farewell afternoon tea

* Congress program subject to changes.
Times and events may vary slightly. For more information, go to fpacongress.com.au

Evolve | Grow | Inspire | Engage

To answer questions
www.fpa.com.au/cpdmonthly

Assets test strategies: post 1 January 2017

CRAIG DAY
COLONIAL FIRST STATE

This article is worth
0.5 CPD HOURS
CRITICAL THINKING

Includes

- Maximising younger spouse's super while under Age Pension age
- Gifting within allowable limits
- Using a long-term annuity

Important changes to the social security assets test take effect from 1 January 2017.

For those who will see a reduction or cancellation of the Age Pension, it's important for them to review their retirement plans to ensure they have sufficient funds to meet retirement income needs.

Strategies to reduce assessable assets for social security clients receiving a part pension determined by the assets test will become twice as effective from 1 January 2017.

This article highlights the impact of assets test reduction strategies through a number of case studies.

Assets test changes from 1 January 2017 and their impact on strategies

From 1 January 2017:

* the lower assets test thresholds for both homeowners and non-homeowners will increase.

* the assets test taper for the pension assets test will double from $1.50 per fortnight to $3.00 per fortnight per $1,000 of assets over the asset free area.

From a strategy perspective, the increased taper rate means that from 1 January 2017, part pensioners whose pension is determined by the assets test will receive an effective return of 7.8 per cent per annum for every dollar that their assessable assets are reduced. This compares with 3.9 per cent per annum under current rules. Note that where only one member of a couple is eligible for a pension (for example, only one is over Age Pension age), these percentage based returns are halved.

Both changes applying from 1 January 2017 mean that the optimum level of assets to hold, and therefore the strategies implemented, will be different for many clients from that time.

Importantly, with the changes applying to both existing and new pensioners from 1 January 2017, strategies put in place prior to this date also need to be formulated with the new rules in mind.

What strategies should be considered?

Depending on a client's situation, the following strategies may be effective at reducing their assessable assets and maximising their pension entitlements in the post 1 January 2017 world:

- Maximising the super balance of a spouse while they are under Age Pension age.
- Improving or purchasing a more expensive principal home.
- Gifting within allowable limits.
- Gifting more than five years prior to Age Pension age.
- Purchasing funeral bonds and prepaid funerals.
- Purchasing long-term annuities with a depleting asset value.

The following case studies highlight three of these strategies in action, the additional impact they have from January 2017, and importantly, how they should be implemented differently for the January 2017 rules.

Case study 1: Maximising younger spouse's super while under Age Pension age

Jean (age 65) and Peter (age 60) are retiring and have the following assets:

- Principal home: $450,000
- Home contents and car: $50,000
- Bank account and term deposits: $50,000
- Jean's account based pension (ABP): $650,000
- Peter's super (accumulation): $300,000

Jean would like to maximise any Age Pension she might be entitled to. Let's look at implementing a strategy of recontributing from Jean's ABP to Peter's super and leaving it in accumulation phase while he remains under Age Pension age.

Strategy implementation and impact: current rules

To optimise Jean's social security situation under current rules, the best course of action is to cash out $453,500 from her ABP and recontribute it to Peter's super account as a non-concessional contribution using the bring forward rule[1]. Peter's super is then left in accumulation phase where it is exempt from the assets and income tests.

By recontributing this amount, their assessable assets are reduced to the same level as the lower assets test threshold, meaning they will receive the maximum Age Pension under the assets test. Note that they will also receive the maximum Age Pension under the income test in this case.

Table 1 has the impact of this strategy.

This comparison shows that Jean can obtain an additional $8,843 per annum in Age Pension as a result of recontributing $453,500 and Peter leaving his super balance in accumulation phase. However, this needs to be offset by the fact that more of their super is now in accumulation phase and subject to tax on earnings. Assuming a 5 per cent per annum return taxed at 15 per cent in accumulation phase, this is an additional tax of $3,401 per annum.

The net benefit of the strategy is therefore $5,442 per annum, which is an additional return of 1.2 per cent per annum on the $453,500 recontributed.

Strategy implementation and impact: January 2017 rules

To optimise Jean's social security situation under the January 2017 rules, the best strategy is now to cash out only $360,858 from her ABP and recontribute it to Peter's super account. Again, Peter's super is then left in accumulation phase.

By recontributing this amount, their assessable assets are reduced to a level still above the new January 2017 lower assets test threshold ($375,000), being the level of assets at which the income and assets tests produce the same result. In this case, there would be no social security benefit in reducing assessable assets further, as the income test would be the determining test.

The impact of this strategy is as follows in Table 2.

This comparison shows that under the January 2017 rules, Jean can obtain an additional $14,073 per annum in Age Pension as a result of recontributing $360,858 and Peter leaving his super balance in accumulation phase. Again, this needs to be offset by the impact of tax on earnings in accumulation phase on the recontributed amount. Assuming a 5 per cent per annum return taxed at 15 per cent in accumulation phase, this is an additional tax of $2,706 per annum.

TABLE 1

	No recontribution	Recontribution
Assessable assets	$750,000	$296,500
Jean's Age Pension under assets test (pa)	**$8,283**	**$17,126**
Assessable income (pa)	$21,526	$6,787
Jean's Age Pension under income test (pa)	**$13,643**	**$17,126**
Jean's Age Pension (pa) – actual	**$8,283**	**$17,126**

TABLE 2

	No recontribution	Recontribution
Assessable assets	$750,000	$389,142
Jean's Age Pension under assets test (pa)	**$2,758**	**$16,832**
Assessable income (pa)	$21,526	$9,798
Jean's Age Pension under income test (pa)	**$13,900**	**$16,832**
Jean's Age Pension (pa) – actual	**$2,758**	**$16,832**

The net benefit of the strategy is therefore $11,367 per annum, which is an additional return of 3.15 per cent per annum on the amount recontributed.

Analysis

The first thing that's obvious is how much worse off Jean and Peter are from 1 January 2017 if they do nothing – Jean stands to lose $5,525 per annum in Age Pension as a result of the assets test changes.

However, looking at the impact of their strategy, it is clear that it is much more effective under the January 2017 rules. In dollar terms, they benefit by $5,925 more by implementing the strategy under the January 2017 rules.

In percentage terms, the impact is even more impressive, as a smaller amount of money is needed to be recontributed under the January 2017 rules. As a percentage of each dollar required to be recontributed, the strategy returned a benefit of 1.2 per cent per annum under current rules, but 3.15 per cent per annum under the January 2017 rules.

Case study 2: Gifting within allowable limits

Donald (age 75) has the following assets:

- Principal home: $300,000
- Home contents: $30,000
- Bank account and term deposits: $180,000
- Share portfolio: $100,000

Donald would like to gift money to his grandchild and wants to understand how this will impact his Age Pension. Let's look at the impact of gifting $10,000 during this financial year – the maximum Donald can gift before deprivation provisions start to apply.

Strategy implementation and impact: current rules

The impact of gifting $10,000 is as follows in Table 3.

Under current rules, Donald's gift has seen his Age Pension increase by $390 per annum. Assuming a bank account interest rate of 2 per cent per annum, however, he has lost $200 per annum of interest because of his gift. This is a net benefit of $190, or 1.9 per cent per annum.

Strategy implementation and impact: January 2017 rules

The impact of gifting $10,000 is as follows in Table 4.

Under the January 2017 rules, Donald's gift has seen his Age Pension increase by $780 per annum. Again, assuming a loss of

Continues on page 30

TABLE 3

	No gifting	Gifting
Assessable assets	$310,000	$300,000
Donald's Age Pension under assets test (pa)	**$18,782**	**$19,172**
Assessable income (pa)	$8,362	$8,037
Donald's Age Pension under income test (pa)	**$20,672**	**$20,835**
Donald's Age Pension (pa) – actual	**$18,782**	**$19,172**

$200 in bank account interest due to his gift, this is a net benefit of $580 or 5.8 per cent per annum.

Analysis

The first thing to note about all gifting strategies is that they involve the permanent loss of capital by the client and cannot be used to increase their wealth overall. Leaving aside the loss of capital, it is important to analyse the net ongoing social security impact of gifting both under the current and January 2017 rules.

Under the current rules, Donald's gifting strategy yields a net benefit of 1.9 per cent per annum, compared with 5.8 per cent per annum under the January 2017 rules – which is an additional 3.9 per cent per annum return.

This highlights that for asset tested clients looking to implement gifting strategies (within allowable gifting limits), these strategies can leave the client in a relatively better position under the January 2017 rules than under current rules.

Case study 3: Long-term annuity

John, aged 70, is a non-homeowner and has the following assets:

- Contents: $50,000
- Bank account and term deposits: $125,000
- Account based pension (ABP): $500,000

John draws 6 per cent of his ABP each year ($30,000). He wants to also see if he can maximise his Age Pension, so he can receive some additional income without needing to draw further money from his super. Let's look at the impact of a strategy involving John rolling over $200,000 from his ABP into a superannuation lifetime annuity.

Strategy implementation and impact: current rules

John rolls $200,000 from his ABP to a lifetime superannuation annuity with an annual payment of $10,865 per annum (paid monthly and indexed by 2 per cent per annum with a guaranteed period of 10 years) and a social security deduction amount of $10,406 per annum. To continue to receive $30,000 per annum from his super, he then needs to draw $19,135 from his ABP.

After one year (assuming current rules remain in place and assuming his ABP earns 5 per cent per annum), the impact of John's strategy is as follows in Table 5.

Under current rules, John's Age Pension has increased by $372 due to the depleting of the purchase price of his annuity under the assets test. This benefit is only 0.19 per cent of the amount invested in the annuity, although this strategy involves benefits that may compound over a number of years.

Strategy implementation and impact: January 2017 rules

John rolls $200,000 from his ABP to a lifetime superannuation annuity with the same characteristics as above. He again draws $19,135 from his reduced ABP under this strategy.

After one year (assuming January 2017 rules have come into effect and that his ABP earns 5 per cent per annum), the impact of John's strategy is as follows in Table 6.

Under the January 2017 rules, John's Age Pension has increased by $744, again due to the depleting of the purchase price of his annuity under the assets test. This benefit is now 0.37 per cent.

Analysis

Without implementing any strategies, John receives around $4,749 less Age Pension under the January 2017 rules than under current rules.

The implementation of this strategy under the January 2017 rules, although still of modest benefit in the first year, is twice as effective for John than under current rules.

If we project forward how this benefit would grow over the next 10 years, assuming $30,000 income was required from super (indexed to CPI), all rates and thresholds were indexed by 3 per cent per annum and that John's ABP always earned 5 per cent per annum, the increase in Age Pension as a result of this strategy under both current rules and the January 2017 rules, is outlined in Table 7.

It is interesting to note that while the Age Pension benefits, as a result of undertaking this strategy, grow in future years both under current and the January 2017 rules, this benefit starts to reverse after a point in time because the income test has taken over as the determining test – this occurs in the eighth year for current rules and seventh year for the January 2017 rules.

TABLE 4

	No gifting	Gifting
Assessable assets	$310,000	$300,000
Donald's Age Pension under assets test (pa)	**$18,382**	**$19,162**
Assessable income (pa)	$8,362	$8,037
Donald's Age Pension under income test (pa)	**$21,013**	**$21,176**
Donald's Age Pension (pa) – actual	**$18,382**	**$19,162**

TABLE 5

	No annuity	Annuity
Assessable assets	$670,000	$660,459
John's Age Pension under assets test (pa)	**$10,651**	**$11,023**
Assessable income (pa)	$19,412	$13,617
John's Age Pension under income test (pa)	**$15,147**	**$18,045**
John's Age Pension (pa) – actual	**$10,651**	**$11,023**

TABLE 6

	No annuity	Annuity
Assessable assets	$670,000	$660,459
John's Age Pension under assets test (pa)	**$5,902**	**$6,646**
Assessable income (pa)	$19,412	$13,617
John's Age Pension under income test (pa)	**$15,488**	**$18,386**
John's Age Pension (pa) – actual	**$5,902**	**$6,646**

Also of note is that the benefits of undertaking the strategy under the January 2017 rules compared to the current rules increase up until the end of year six. From that point on, the benefit becomes negative for two years because by that point, using the strategy under the January 2017 rules, assessable assets have already reached the lower assets test threshold and the client has become income tested. Therefore, the strategy cannot add as much value as under the current rules, where the assets test is still the determining test.

However, by the end of year eight, John is income tested both under the current and January 2017 rules, so the strategy is equally beneficial per annum by the end of that year.

While there are times during the 10 year projection when the January 2017 rules have provided benefit, and times where the current rules were more effective, the January 2017 rules still proved far better overall compared with the current rules, adding additional cumulative benefits of $6,613 in Age Pension over the 10 years when the strategy is implemented.

Craig Day is Executive Manager at Colonial First State.

Case study assumptions

- Client's asset and income levels are the same in both cases – ie, they are not increased or indexed for the January 2017 scenario.
- Rates (eg, maximum Age Pension) are assumed to increase by 1.5 per cent between July 2016 and January 2017.
- Lower assets test thresholds increase to their legislated levels on 1 January 2017 and the assets test taper rate doubles to $3 per fortnight.
- All account based pensions are deemed for income test purposes.

TABLE 7

	Current rules	**January 2017 rules**	**Benefit of January 2017 rules**
Increased Age Pension pa after year 1	$372 (0.19% of annuity purchase price)	$744 (0.37% of annuity purchase price)	$372
Increased Age Pension pa after year 2	$734 (0.37%)	$1,468 (0.73%)	$734
Increased Age Pension pa after year 3	$1,085 (0.54%)	$2,170 (1.09%)	$1,085
Increased Age Pension pa after year 4	$1,425 (0.71%)	$2,849 (1.42%)	$1,425
Increased Age Pension pa after year 5	$1,752 (0.88%)	$3,504 (1.75%)	$1,752
Increased Age Pension pa after year 6	$2,066 (1.03%)	$3,857 (1.93%)	$1,791
Increased Age Pension pa after year 7	$2,366 (1.18%)	$2,015 (1.01%)	-$351
Increased Age Pension pa after year 8	$2,035 (1.02%)	$1,840 (0.92%)	-$195
Increased Age Pension pa after year 9	$1,656 (0.83%)	$1,656 (0.83%)	$0
Increased Age Pension pa after year 10	$1,462 (0.73%)	$1,462 (0.73%)	$0

Footnote

1. In the 2016 Federal Budget, a $500,000 lifetime cap on non-concessional contributions was proposed to commence from Budget night, 7.30 pm (AEST) on 3 May 2016. If legislated, it is proposed to take into account all non-concessional contributions made on or after 1 July 2007.

QUESTIONS

1. When do the social security asset test changes take effect from?

a. 1 July 2017.

b. 1 January 2017.

c. 20 September 2017.

d. 1 January 2018.

2. Which of the following is the correct effective return achieved by asset test reduction strategies from 1 January 2017, for part pensioners impacted by the assets test?

a. 3.9 per cent per annum.

b. 7.9 per cent per annum.

c. 7.8 per cent per annum.

d. 1.95 per cent per annum.

3. Which of the following would not be effective at reducing assessable assets for social security purposes?

a. Maximising the super balance of a spouse while they are under Age Pension age.

b. Improving or purchasing an investment property.

c. Gifting within allowable limits.

d. Purchasing long-term annuities with a depleting asset value.

4. When considering gifting strategies, which of the following factors is an important consideration?

a. Permanent loss of capital.

b. Deprivation is assessed where a member gifts funds to their spouse.

c. Allowable gifting limit is $30,000 in a financial year.

d. All gifts are assessed as financial investments subject to deeming.

To answer questions
www.fpa.com.au/cpdmonthly

To answer questions
www.fpa.com.au/cpdmonthly

Excess non-concessional contributions

JULIE STEED
IOOF

This article is worth
0.5 CPD HOURS
CRITICAL THINKING

Includes

- Excess contributions errors
- Associated earnings
- Administration of excess non-concessional contributions
- Excess non-concessional contributions tax assessment

The Federal Budget announcements regarding proposed changes to the non-concessional contributions cap has generated renewed interest in excess non-concessional contributions. In this article, we look at the current workings of excess non-concessional contributions.

History

From 1 July 2007, 100 per cent of excess non-concessional contributions were taxed at the top marginal tax rate. Furthermore, no excess non-concessional contributions were able to be released from super funds.

On 1 July 2013, fairer treatment of excess non-concessional contributions was introduced. Since this date, excess non-concessional contributions are allowed to be released, following receipt of an Australian Taxation Office (ATO) release authority.

Determination of excess contributions

The ATO determines whether excess contributions exist based on information contained in a member's personal tax return and information from annual member contribution statements provided by super funds.

Excess contributions remedies

Where members have excess contributions, there are three possible remedies:

- The member can apply to the Commissioner for contributions to be disregarded or allocated to another year.
- The member can apply for a refund of contributions made by mistake.
- Excess contributions can be released.

Disregarded or allocated to another year
To apply to the Commissioner for contributions to be disregarded or allocated to another year, members need to demonstrate that special circumstances apply.

Special circumstances are factors that are unusual or out of the ordinary and lead to an outcome that is unjust, unreasonable or otherwise inappropriate.

There is no particular formula or checklist to determine if special circumstances exist and each case is considered on its own merits.

Circumstances that would not generally be classified as 'special circumstances' include:

- The member not intentionally exceeding a cap.
- The member not knowing about or misunderstanding the law.
- The member receiving incorrect or incomplete professional advice.
- The member stating that electronic banking was not instantaneous.
- The member believing the assessment or determination by the ATO was unfair.

It's important to note that the majority of applications for contributions to be disregarded or allocated to another year are not successful.

Refund of contributions made by mistake
Applications for a refund of contributions made by mistake are also strictly regulated under superannuation law. It is necessary to demonstrate that an error has occurred, for example, as a result of an administration or system error.

A super fund was able to return an amount to a member who had accidentally bPayed his rent to his super fund rather than to his landlord.

It is not possible for a superannuation fund to simply return contributions because they have resulted in excess contributions.

Excess contributions released
For contributions to be released, there are a number of different rules that must be followed.

Most notably for self-managed super funds (SMSFs), the ATO must issue an excess contributions determination notice before contributions can be released. An SMSF cannot simply return contributions because they have excess contributions.

Excess contributions errors

In some instances, an excess contributions assessment will arise because of reporting errors from incorrect information provided in a personal tax return. If this occurs, members need to lodge an amended tax return with the ATO and await a revised assessment.

Alternatively, super funds may have reported contributions incorrectly. If this occurs, members need to contact their super fund and request that the fund re-reports to the ATO.

However, trustees will need to be satisfied that an error has genuinely occurred, not that it is more convenient for different information to be reported, as severe penalties can apply.

Associated earnings

Where excess non-concessional contributions exist, members are liable for an associated earnings penalty. The associated earnings amount is a substitute for fund earnings on excess non-concessional contributions and is imposed to recognise that investment returns have been generated in a concessionally taxed environment.

The associated earnings amount applies from the start of the financial year in which the contributions were made up to the day the ATO issues the excess non-concessional contributions determination.

The interest rate used to calculate the associated earnings amount varies each quarter and is equal to the 90 day bank bill plus seven percentage points, which is currently around 9 per cent. The rate is expressed as a daily rate and interest is compounded on a daily basis. Fortunately, the ATO calculates the associated earnings amount, however, there is no ability for the Commissioner to waive the application of associated earnings.

Members may minimise the amount of associated earnings payable by lodging their tax return and SMSF annual return as early as possible. If an SMSF lodges its annual return on 1 May, the associated earnings calculation applies for at least 670 days, being the number of days from the beginning of the previous financial year. If the member and the SMSF lodge returns by 30 September, the number of days reduces by approximately 200 days.

The associated earnings amount is included in the assessable income of a member and taxed at their marginal tax rate. Eighty-five per cent of the associated earnings can be released to pay the additional tax.

Case study:
Associated earnings – Paul
Paul had excess non-concessional contributions for the 2015/16 financial year of $540,000. The ATO issues an excess non-concessional contributions determination on 1 November 2016. The associated earnings were calculated over the 489 days from 1 July 2015 to 1 November 2016 as follows:

0.02512978% x ($540,000 + sum of earlier daily amounts) for 489 days = $70,751

If Paul's SMSF did not lodge its annual return until 1 May 2017, this would be the earliest possible day that the ATO could issue an excess non-concessional contributions determination. The associated earnings would then be calculated over at least 670 days from 1 July 2015 to 1 May 2017 as follows:

0.02512978% x ($540,000 + sum of earlier daily amounts) for 670 days = $99,169

Administration of excess non-concessional contributions

The ATO determines that excess non-concessional contributions exist based on the information contained in the member's personal tax return and information provided by super funds in the annual member contribution statements.

Where an excess exists, the ATO issues a determination notice to the member. The determination notice includes:

- the excess non-concessional contributions;
- the associated earnings amount;
- the total release amount - excess non-concessional contributions + 85% of associated earnings;
- an election form.

Election form
When an SMSF member receives a release authority they can generally elect:

- to release the total release amount per the ATO determination;
- not to release the total release amount because the value of all their superannuation is nil;
- not to release the total release amount for some other reason.

The election form must be returned to the ATO within 60 days of being issued and must identify the super fund that an amount is to be released from. Members may elect to have amounts released from multiple funds, however, the combined maximum for all funds must still equal the total release amount. Members cannot elect to have only part of the release amount released. Once an election is made, it is irrevocable.

Election to pay the release amount
Where the member makes an election to pay the total release amount, the ATO:

Where the member makes an election to pay the total release amount, the ATO:

- adds the associated earnings amount to the member's taxable income;
- calculates the adjusted tax amount;
- includes a tax offset of 15 per cent of the associated earnings amount;
- issues an amended tax assessment to the member who then pays the additional tax liability;
- issues a release authority to the fund (or funds).

The super fund then has 21 days from the date the release authority is issued to pay the release amount to the member.

Continues on page 34

Election not to pay the release amount because there is a nil superannuation balance
Where the member makes an election not to release any amount because their superannuation balance is nil, the ATO:

- adds the associated earnings amount to the member's taxable income;
- calculates the adjusted tax amount;
- includes a tax offset of 15 per cent of the associated earnings amount; and
- issues an amended tax assessment to the member, who then pays the additional tax liability.

The ATO then issues a direction to the member confirming that they have no excess non-concessional contributions, even though no excess contributions have been released.

Election not to pay the release amount for some other reason
A member may elect not to pay the release amount for some other reason. Where this occurs, the election is irrevocable and the member has excess non-concessional contributions. The ATO will issue an excess non-concessional contributions tax assessment.

If no election is made, then no amount can be released from super. This has the same effect as making an election not to release and will result in an excess non-concessional contributions tax assessment.

Excess non-concessional contributions tax assessment

Liability for excess non-concessional contributions tax arises:

- where a member has excess non-concessional contributions before 1 July 2013.
- where a member has excess non-concessional contributions since 1 July 2013 and they do not elect to have the total release amount released from super.

The ATO issues an assessment which includes the amount of excess non-concessional contributions and the amount of excess non-concessional contributions tax (the excess non-concessional contributions amount taxed at the top marginal tax rate).

Payment of the excess non-concessional contributions tax is due in 21 days from the date of issue.

The ATO also issues a compulsory release authority, which the member must provide to the super fund within 21 days.

The ATO will issue a release authority directly to a super fund that holds an interest for the member if:

- the member does not provide the release authority to the super fund within 90 days;
- the member does provide the release authority to the super fund(s) within 90 days but the total amount paid by the super fund(s) is less than the release amount.

This may occur, for example, when a member has two super funds and a release authority is issued to only one fund that the member expects to hold the full release amount.

However, negative returns may have reduced the balance in the time between the member making the election and the release authority being actioned.

Disagree with assessment

Where members disagree with an excess non-concessional contributions assessment, they may request an amendment on the grounds that:

- the assessment is factually incorrect.
- the super fund has reported contributions incorrectly.
- the law has been incorrectly applied.

Members generally have four years to apply for an assessment to be amended.

Payment type

The released amount is a special type of benefit payment which is treated as a non-assessable non-exempt benefit payment to the member. The proportioning rule does not apply to released amounts. Where the released amount is paid from an accumulation account, the release reduces the taxable component only. Where the released amount is paid from a pension account, there is no adjustment to the tax-free and taxable percentages which are calculated on commencement.

The ordinary cashing order applies whereby a released amount will be taken, in order, from:

- unrestricted non-preserved benefits.
- restricted non-preserved benefits.
- preserved benefits.

If the released amount is paid from an account-based pension, it will count towards the minimum annual pension. If it is made from a transition to retirement pension, it will also count towards the maximum annual pension.

Case study – Glen
Glen had excess non-concessional contributions of $540,000 for the 2015-16 financial year.

The ATO issues Glen with an excess non-concessional contributions determination notice. The determination notice includes:

- the excess non-concessional contributions of $540,000;
- the associated earnings amount of $99,000;
- the total release amount of $624,150
  - excess non-concessional contributions + 85% of associated earnings; and
- an election form.

Glen had approximately $1,400,000 in his SMSF accumulation account. He makes a valid election to release the total release amount of $624,150 and returns the election form to the ATO within 60 days. The ATO issues a release authority to the SMSF requiring the SMSF to pay $624,150 to Glen, which it promptly does.

The full amount of the associated earnings of $99,000 is included in Glen's personal assessable income and he is entitled to a tax offset of $14,850 ($99,000 x 15 per cent).

As the excess non-concessional contributions have been released, Glen no longer has excess non-concessional contributions.

Case study – Kathryn
Kathryn commenced a pension in the 2012-13 financial year with a 10 per cent tax-free component.

Kathryn made a non-concessional contribution of $450,000 during the 2013-14 financial year and immediately commenced a 100 per cent tax-free pension.

Kathryn made a non-concessional

contribution of $90,000 in July 2015 on the mistaken belief that she qualified for the indexed three year bring forward. She immediately combined the amount with her 100 per cent tax-free pension.

In 2016, the ATO issued Kathryn with an excess non-concessional contributions determination notice. The determination included:

- the excess non-concessional contributions of $90,000;
- the associated earnings amount of $16,000;
- the total release amount of $103,600
  - excess non-concessional contributions + 85% of associated earnings; and
- an election form.

Kathryn had $300,000 in one pension account, which had a 10 per cent tax-free component, and $540,000 in her second pension account which was 100 per cent tax-free. As Kathryn had no accumulation accounts, the law allows her to elect to release the release amount from an 'interest'.

She makes a valid election to release the total release amount of $103,600 from her $300,000 pension account, which has a 10 per cent tax-free component and returns the election form to the ATO within 60 days. The ATO issued a release authority to the SMSF requiring the SMSF to pay $103,600 to Kathryn, which it promptly does.

The full amount of the associated earnings of $16,000 is included in Kathryn's assessable income for the 2015-16 financial year and she is entitled to a tax offset of $2,400 ($16,000 x 15 per cent).

As the total release amount has been released, Kathryn no longer has excess non-concessional contributions.

Kathryn's pension paid $103,600, which is approximately 30 per cent of the account balance. As the highest minimum annual pension amount is 14 per cent of the account balance, no further pension payments are required.

Transition to retirement pension

If the pension was a transition to retirement pension, the maximum of 10 per cent tax-free component would have been breached and the exempt current pension income concession would be lost. In this scenario, Kathryn could consider rolling the pension back to accumulation phase prior to the release payment being made.

Kathryn has a $300,000 pension account balance with a 10 per cent tax-free percentage. If she rolls back to accumulation phase, the tax-free component of the accumulation account is $30,000 and the taxable component is $270,000.

The ATO issues a release authority to the SMSF requiring the SMSF to pay $103,600, which it promptly does.

After the payment, the tax-free component of the accumulation account remains at $30,000 and the taxable component has reduced to $166,400. Kathryn can then commence a pension with the remaining $196,400, which would then have a tax-free percentage of 15.27 per cent and a taxable percentage of 84.73 per cent.

One pension

As with the transition to retirement example, if Kathryn had only one pension, she may still be able to maximise the tax-free component by rolling the pension back to accumulation phase before the release payment was made.

Summary

In the event that members have excess non-concessional contributions, they must ensure they pay attention to the determination issued by the ATO. Members must make an election to have the total release amount released within the required timeframes. The amount of associated earnings can be minimised by lodging the member's tax return and SMSF annual return as early as possible.

Julie Steed, Senior Technical Services Manager, IOOF.

QUESTIONS

1. When a super fund receives a non-concessional release authority it must pay the release amount:

a. To the ATO within 21 days from the date the release authority is issued.

b. To the member within 21 days from the date the release authority is issued.

c. To the ATO within 21 days from the date the release authority is received.

d. To the member within 21 days from the date the release authority is received.

2. Which of the following is true in respect of associated earnings?

a. They are calculated from 1 July in the year in which the contribution is made.

b. The interest rate used is the 90 day bank bill plus three percentage points.

c. The fund calculates the associated earnings amount.

d. The Commissioner may waive the amount.

3. Which of the following is not a possible remedy for excess contributions?

a. Apply to the Commissioner for contributions to be allocated to another year.

b. Apply to the Commissioner for contributions to be disregarded.

c. Apply to the fund for contributions to be disregarded.

d. Apply to the fund for a refund of contributions made by mistake.

4. Which of the following is not an option for a member who receives a non-concessional release authority?

a. Elect to release the total release amount.

b. Elect to release 85 per cent of the total release amount.

c. Elect not to release the total release amount because the value of all their super is nil.

d. Elect not to release the total release amount for some other reason.

To answer questions
www.fpa.com.au/cpdmonthly

Making a safe NEST

Youth Futures WA is a 2015 Make the Difference! Grant recipient, receiving $30,000 spread over the next three years for its NEST program. *Financial Planning* spoke to Felicity Lockyer about what winning the grant means for at risk teenage mothers living in Perth.

Grant recipient: Youth Futures WA
Grant amount: $30,000 over three years
Endorsed by: Antony Black AFP®, Investment & Financial Partners
FPA Chapter: Western Australia

FP: What is the NEST program?

FL: In 2008, the NEST program was developed in response to an identified gap in services for teenage mothers who risk losing custody of their baby to the government because they are either homeless, escaping domestic violence or are living in conditions that are unsafe or not suitable for raising a child.

The program aims to empower these young mothers to maintain custody of their baby and to develop skills that will help them break the cycle of disadvantage.

The children and young people supported by the NEST program are extremely vulnerable and are experiencing disadvantage, which if not acted upon, will have significant ramifications for their future.

Young women in the program are aged 16-19 and are in the late stages of pregnancy or have a child under the age of two.

To give them hope for a better future, the NEST program provides teenage mothers and their children with safe and secure single-dwelling accommodation for up to 18 months. During this time, mothers are supported to identify and address their underlying issues, as well as any barriers associated with becoming a teenage parent that may be preventing them from reaching their potential. As transport is a major barrier to many NEST mothers accessing services, the program also includes transport to medical, legal and other appointments.

The NEST youth workers also support each mother to plan for a brighter future. This process includes goal setting, accessing education, connecting with the community, and developing parenting, financial and independent living skills.

Each young mother is also supported to reunite with their family (where appropriate) or to create a savings plan that will see them save enough money to secure future rental accommodation for their family.

To help as many young families as possible, Youth Futures WA introduced a NEST Outreach service to support those young mothers who are unable to be housed by the NEST program. This expansion has meant that we can help more young mothers to find appropriate housing and to build their capacity as a parent.

Outreach is conducted at a location that is convenient for the young mother, whether that be at home, at a hospital or another agency.

Teenage pregnancy can be an isolating experience, so young mothers are also encouraged to develop a social support system that can assist them after they exit the program.

Nakisha and her daughter Arvana, who have both been supported in the NEST program.

FP: How are you utilising the $30,000 Future2 grant for the NEST Project, and in what ways is the grant making a difference to the lives of 'at risk' teenage mothers?

FL: The NEST program receives no Government funding and relies solely on philanthropic donations from individuals and organisations, like the Future2 Foundation, to continue. Funds from Future2 are used to support these teenage mothers in a variety of ways, including:

- Daily baby item purchases, such as formula, baby wipes, nappies and so forth;
- Playgroup facilitation;
- Purchase of medication for the babies if required;
- Obtaining birth certificates for mother and baby;
- Providing course fees and deposits for TAFE and other suitable courses;
- Purchasing household items such as cots, prams, baby car seats, kitchen appliances, whitegoods and so forth.

These young mothers struggle financially to meet the costs of the essential larger items they need. So, we offer support and assist by purchasing some of the smaller items for them, which gives them some financial relief, enabling them to save for larger items.

We are extremely grateful to the Future2 Foundation for supporting the NEST program over the next three years. This grant has made such a difference to these young mothers and their babies, and has helped to ensure that the NEST program continues into the future.

Youth Futures WA is a community charity that offers young people across Perth the opportunity to participate in a number of homelessness, education and support programs aimed at enhancing their wellbeing and increasing community participation.

Felicity Lockyer is Youth Futures WA Business Development Manager.

This grant application was endorsed by Antony Black AFP® of Investment & Financial Partners.

Masterclass delves into aged care and estate planning

The **Sydney Chapter** recently hosted a masterclass session on Aged Care and Estate Planning. The masterclass was held at two venues - Sydney CBD and Parramatta - ensuring a good turnout of members and guests attending this event.

Three industry specialists – David Williams (My Longevity), Gordon Gill CFP® (RI Lower Hunter) and Louise Biti CFP® (Aged Care Steps) – provided a practical approach to aged care and estate planning, including how to have relevant conversations with clients.

John Saunders (The Pittwater Partnership), Andrew Rafty (Financial Index) and Alison Macfarlane (Centuria).

In a time when financial planning businesses are under increasing pressure – including legislative, markets and digital disruption – it is important for practitioners to focus on business solutions that create deeper relationships with clients. Each speaker showed how aged care and estate planning could provide this client value add that planning businesses were looking for.

Masterclass speakers: Gil Gordon (RI Lower Hunter), Louise Biti (Aged Care Steps) and David Williams (MyLongevity).

By using the same case study, the speakers demonstrated how planners can build a profitable business by incorporating aged care and estate planning in their client value proposition.

David Williams set the scene by discussing longevity awareness issues, including preparing clients to re-evaluate their potential longevity and the need to potentially fund a longer life than previously expected.

Gil Gordon, a passionate advocate of estate planning, demonstrated how financial planners could build a profitable estate planning value proposition. He did this by providing practical and real life client scenarios. Louise Biti finished off the workshop by tying together the various aspects of estate planning with aged care.

The Chapter acknowledges the support of Centuria for assisting with this masterclass.

Two sides of the coin

During the month of August, the **Brisbane** and **Townsville Chapters** hosted a member seminar, where guest speakers, Gary Higgins and Brian Pollock, spoke on the topic of 'Two sides of the coin'. These two seminars focused on the key areas financial planners need to consider when they are buying or selling a planning business.

The two seminars were partnered by BT Group Licensees.

THANK YOU
to our event partners

ANZ Wealth
BlackRock
BT Investment Management
Centuria
Cromwell Property Group
Fiducian Group
Hays
Hill Capital
IOOF
Pengana Capital
Perpetual
Magellan Asset Management
MLC
NAB
Vanguard
Zenith

UPCOMING FUTURE2 CHAPTER EVENTS

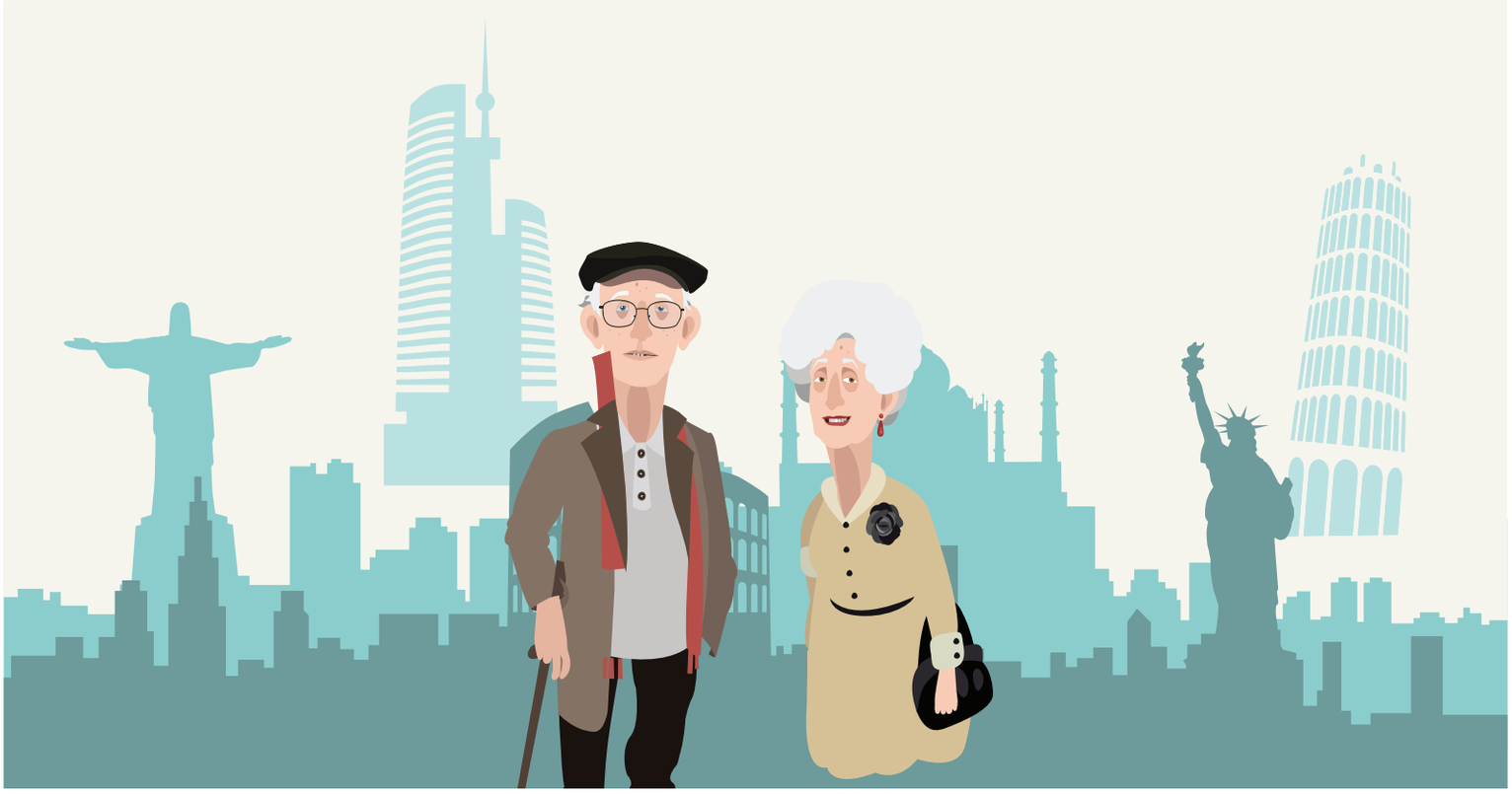
Join us at an upcoming Future2 Foundation event to support Future2 in its endeavours to provide a brighter future for disadvantaged young Australians.

24 OCTOBER
South Australia
Future2 Golf Day at Kooyonga Golf Club

1 NOVEMBER
Western Australia
Melbourne Cup Luncheon at Crown Perth, Astral Ballroom

Register by emailing events@fpa.com.au

We look forward to seeing our members at the next local Chapter event.
For upcoming events in your local Chapter, please go to fpa.com.au/events



Age Pension and overseas travel

Depending on the length of time an age pensioner spends overseas, international travel can affect their Age Pension and social security entitlements.

Nearly one-fifth of all age pensioners travelled overseas last financial year, and the numbers are increasing. With the summer holiday period approaching, your clients may be thinking about taking an overseas trip and now is a good time to discuss how this might affect their Age Pension.

Generally speaking, if your client's overseas holiday is less than six weeks, their pension rate will stay the same. However, if they are overseas for longer than six weeks, they may notice a change to their supplements and concessions.

After the six week mark, your client's Pension Supplement will reduce to the basic rate and their Energy Supplement will stop. Their Pensioner Concession Card and Health Care Card will also cancel.

If your client goes on an extended overseas trip of over 26 weeks, their Age Pension rate will be based on how long they have lived in Australia as an Australian resident between the age of 16 and Age Pension age.

Your client will need to have lived in Australia for 35 years to get a full means tested rate of Age Pension. If they have lived in Australia for less than 35 years, they will receive a proportional pension rate.

The easiest way for your client to check whether their travel will affect their entitlements is to log into their Centrelink online account through myGov.

In a few clicks, they can notify the Department of Human Services of their international travel plans and receive tailored information about how their travel could affect their payments and concession cards.

For more information, go to www.humanservices.gov.au/customer/enablers/age-pension-while-travelling-outside-australia

Your client will need to have lived in Australia for 35 years to get a full means tested rate of Age Pension. If they have lived in Australia for less than 35 years, they will receive a proportional pension rate.

FPA Chapter directory

New South Wales

Sydney
Marisa Broome CFP®
Chairperson
T: 0413 588 680
E: marisa@wealthadvice.com.au

Mid North Coast
Julie Berry CFP®
Chairperson
T: (02) 6584 5655
E: jberry@berryfs.com.au

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

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

Riverina
Marie Suthern CFP®
Chairperson
T: (02) 6921 1999
E: msuthern@fsfp.com.au

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

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

ACT

Claus Merck CFP®
Chairperson
T: (02) 6262 5542
E: claus.merck@actwealth.com.au

Victoria

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

Albury Wodonga
Wayne Barber CFP®
Chairperson
T: (02) 6056 2229
E: wayne@mws.net.au

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

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

Geelong
Brian Quarrell CFP®
Chairperson
T: (03) 5222 3055
E: brian.quarrell@bendigoadelaide.com.au

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

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

South East Melbourne
Scott Brouwer CFP®
Chairperson
T: 0447 538 216
E: scottb@prosperum.com.au

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

Queensland

Brisbane
Steven O'Donoghue CFP®
Chairperson
T: 0457 528 114
E: steven.odonoghue@suncorp.com.au

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

Far North Coast NSW
Shane Hayes CFP®
Chairperson
T: 0411 264 002
E: shane@sovren.com.au

Gold Coast
Matthew Brown CFP®
Chairperson
T: 0418 747 559
E: matthew.brown@miqprivate.com.au

Mackay
James Wortley CFP®
Chairperson
T: (07) 4957 1600
E: james@efsmackay.com.au

Rockhampton/Central Qld
David French AFP®
Chairperson
T: (07) 4920 4600
E: david_french@capinvest.com.au

Sunshine Coast
Andrew Geddes CFP®
Chairperson
T: 0437 835 609
E: andrew.geddes@miqprivate.com.au

Toowoomba/Darling Downs
Bob Currie CFP®
Chairperson
T: 0420 301 081
E: bob.currie@altitudews.com.au

Townsville
Gavin Runde CFP®
Chairperson
T: (07) 4723 9188
E: gavin@runde.com.au

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

South Australia

Petra Churcher AFP®
Chairperson
T: (08) 8291 2800
E: pchurcher@ipacsa.com.au

Northern Territory

Susie Erratt CFP®
Chairperson
T: (08) 8980 9300
E: mha50580@bigpond.net.au

Western Australia

David Sharpe CFP®
Chairperson
T: (08) 9463 0047
E: david.sharpe@globefp.com.au

Tasmania

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

Member Services:
1300 337 301
Phone: 02 9220 4500
Email: fpa@fpa.com.au
Web: www.fpa.com.au

FPA Board

Chair
Neil Kendall CFP® (QLD)

Directors
Marisa Broome CFP® (NSW)
Matthew Brown CFP® (QLD)
Mark O'Toole CFP® (VIC)
Julie Matheson CFP® (WA)
Delma Newton CFP® (QLD)
Philip Pledge (SA)
Mark Rantall CFP®

Board Committees

Regional Chapter Committee
Matthew Brown CFP®
E: matthew.brown@miqprivate.com.au

Professional Standards and Conduct Committee
Mark O'Toole CFP®
E: motoole@ascentpw.com.au

Audit Committee
Philip Pledge
E: phidpledge@bigpond.com

Governance and Remuneration Committee
Neil Kendall CFP®
E: neil.kendall@fpa.com.au

Policy and Regulations Committee
Marisa Broome CFP®
E: marisa@wealthadvice.com.au

Professional Designations Committee
Julie Matheson CFP®
E: so95678@bigpond.net.au

FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

FPA *Professionals* CONGRESS

PERTH 23-25 NOV 2016

FUTURE READY

What does it take to be future ready?

Our keynote speakers will answer this and challenge you in inspiring and surprising ways.

Register at fpacongress.com.au

Ange Postecoglou
Socceroos
Head Coach

Anna Meares OAM
Olympic Champion

Andrew Denton
Producer, presenter & writer

Tracey Holmes
Sports journalist

Richard de Crespigny
Hero Qantas pilot

Dr Michael Holt
Orthopaedic surgeon

Thank you to our 2016 major Congress Partners

Gold: Colonial First State, AMP, nab, MLC, PIMCO

Silver: BT, Platinum Asset Management, Zurich, Macquarie, AIA, cbus super fund

Major Media Partner: Professional Planner

Local Partner: Perth Convention Bureau