

President's Report – 2008

This is my last report to you as your President. Doesn't time pass quickly when you are having fun? Once again thank you to the members for the opportunity to serve you as your president. It is hard work but very rewarding personally.

I believe that we have taken the opportunity to change our association to be the only association to represent all advisers who provide services to consumers under the Financial Services Reform (FSR). This is our point of difference with other associations in the financial services profession. It is our point of difference to all advisers within the financial services profession. We have demonstrated this by having topical speakers at our National Forums, GenXt Road Shows and our National Conference for advisers who provide advice on people's needs for;

Personal and business insurance risk management strategies such as;

- life insurance
- total and permanent disablement insurance
- income protection
- trauma insurance

Wealth creation strategies such as;

- superannuation planning
- investment planning
- gearing investments
- self managed superannuation planning

Retirement planning strategies such as;

- annuities
- term allocated pensions
- allocated pensions
- centrelink benefits

Business Practice Management strategies such as;

- succession planning
- practice management
- client engagement skills
- business networking
- process for buying a business
- specialist finance for buying a business

Some advisers may have a need for help with practice management whilst others may need help in determining how much insurance protection is enough when's planning for a client's future needs or help in understanding world wide investment markets and how to select the correct asset allocation for their client's superannuation or investment plan. We have sought to provide for the needs all advisers in the financial services profession. **We are truly an Association of Choice for Financial Services Advisers.**

Public Affairs

AFA involvement with Public affairs matters;

- 25/02/2008 – ASIC roundtable discussion on RG 126 regarding the industry concerns about the future professional indemnity insurance issues. This meeting was held in Sydney. Richard Klipin and I attended. It went on for 1.5 hours
- 06/03/2008 – ASIC meeting regarding our concerns for small licensees and members with the implementation of RG 126. This meeting was held in Sydney. Richard Klipin attended in person and I attended by teleconference. It went for 1.0 hour

- 29/02/2008 – Treasury – Financial Services Working Group - Information Session. Richard and I attended. This meeting was held in Sydney
- 03/04/2008 – Treasury – Financial Services Working Group Committee. I attended as a committee member. This meeting was held in Sydney
- 03/04/2008 – ASIC meeting regarding the appropriateness of Statements of Additional Advice. This meeting was held by teleconference. Richard Klipin attended and I attended. It went on for 30 minutes
- 22/05/2008 – AFA Luncheon Meeting in Melbourne – “The Future of Financial Advice in Australia & Post Budget Update” with The Honourable Nick Sherry Minister for Superannuation & Corporate Law, Senator for Tasmania
- 11/07/2008 ASIC Consultation Teleconference re Research Houses & Ratings Agencies – Richard & I attended. It lasted for 1 hour

We have used every opportunity that arose for us to participate in discussion groups and/ or meetings with politicians, treasury and ASIC officials with the view of informing them about our member’s concerns and to emphasise AFA’s point of view on the Financial Services Industry. This is an important part of the role we play so that we can maintain a good communication with them on matters of interest to our members. We have participated in a number of meetings with ASIC, Treasury and have had three functions with political speakers. In addition we have lodged submissions on various ASIC and Treasury consultation papers. This is an ongoing activity.

AFA PI Offer – Alexis Insurance Brokers Pty Ltd

AFA have partnered with Alexis Insurance Brokers Pty Ltd in April 2008 to provide PI to cover Advisers under the New RG 126 Guidelines. The Alexis Insurance Brokers team has over 17 years experience in providing risk protection services to advisers. The AFA chose Alexis from a short list of three which has been a 12 month exercise for the Association. Thank you to Kristina and Peter Kalantzis of Alexis Insurance Brokers Pty Ltd for their involvement with the AFA in the provision of the opportunity for AFA members to access appropriate PI protection.

Media

Our media strategist is Chris Hocking. He has done a great job in getting the AFA message into the Financial Press over the past 34 months. The results of media activities for the AFA over this period are as follows;

2006 – Media Coverage in Trade and National Press:	96
2007 – Media Coverage in Trade and National Press:	117
2008 – Media Coverage in Trade and National Press:	124

(2008 detail is from 1 January to 17 October)

AFA – Plan for Life – Life Product & Service Awards

These awards are a great initiative as they provide a direct feed back to the product providers and the service levels by advisers. This is important to the Insurance companies as it allows them to focus on this feedback in an endeavor to improve their products and standards of service in order ensure they are competitive with the outcome for the 2008 awards.

The AFA and Plan for Life continue to bathe in the success of these awards. They are now a regular event for the calendar of the financial services participants. The awards provide great publicity for the participants as well as the AFA and Plan for Life. Congratulations to all the winners of the 2007 awards.

MSRA

AFA has worked in partnership with Multiple Sclerosis Research Australia for 2 years now. In that time we have raised over \$200,000. This money is vital to MS research that provides funding for the work by talented young researchers, such as Scot Kolbe at the prestigious Howard Florey Institute at Melbourne University. Some of the research has discovered that there is a link between a lack of vitamin “D” that is common with most MS sufferers. I believe that our partnership with MSRA provides a good image of the AFA as a good corporate citizen.

AFA Foundation

AFA Foundation has been launched at this conference to manage AFA's charitable gifting activities. Two charities that the Foundation plans to support are Multiple Sclerosis Research Australia and MAKE-A-WISH Australia. Legenis has been appointed to manage and administer the AFA Foundation with an AFA Board of Trustees to control the overall operations. The managing director of Legenis is Dr Robb Musgrave a long standing member of the AFA.

The AFA Foundation, Multiple Sclerosis Research Australia and MAKE-A-WISH Australia are all exhibitors at this year's AFA conference.

The establishment of the AFA Foundation is a milestone in the growth of our association in the area of support for worthwhile charities in Australia.

Our Asian Connection - APFinSA

Who is APFinSA

Eleven leading financial services associations from the ASIA Pacific coming together as a united voice – that is what APFinSA is.

The abbreviation for the Asia Pacific Financial Services Association, APFinSA represents financial services professionals from 11 financial associations. The countries/territories represented are; **Australia, Hong Kong, India, Japan, Macau, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand**. This makes APFinSA the largest association of its kind in the region.

Being the foremost platform to address industry issues, the Association allows for professional exchange of information and ideas. APFinSA also assists in the formation of national associations in other regional countries and/or territories.

An Alliance of Financial Services Professionals

The APFinSA alliance gives all member countries a platform to share and exchange professional information in the financial services industry within the Asia Pacific region. More importantly the strength of the association lends a robust voice and representation to members working in partnership with financial services providers, insurance companies and government organizations in the region.

APFinSA AGM

In June I attended the AGM for APFinSA in Kuala Lumpur with Jim Taggart, NSW State Director for the AFA who also Chairs AFA's Education committee. Jim and I reported on the education pathway program for Financial Advisers to achieve the FChFP designation in Australia with the help of our education joint venture partners PS 146. This pathway will formally bring the APFinSA FChFP designation to Australia. The FChFP designation is widely recognised across Asia. It was reported to the AGM that there are 1,360 FChFP graduands throughout Asia including 35 from Australia who were transitioned by the previous board of the AFA prior to 31st December 2005.

FChFP in Asia

The Fellow Chartered Financial Practitioner (FChFP) program was established in 2001 as a professional designation of APFinSA. The FChFP designation which denotes the highest level of professional competency has been adopted by APFinSA as the joint and common professional certification for its member associations.

A professional designation targeted at the financial services professionals in the region, the FChFP program is a classroom based course for members of member associations.

FChFP in Australia

The pathway to the FChFP designation in Australia consist of 4 units. They are;

- AFA1 – Ethics & compliance in Practice
- AFA2 – Client Engagement & Advice
- AFA3 – Applying Financial Solutions
- AFA4 – Managing an Advice Business

These units are focused on practical and sustainable advice skills. The adviser of the future needs a broad range of skills, expertise and experience. The pathway program is looking to provide this to our members. An initial pilot course was conducted in Sydney on the 20th September for AFA1 with 11 participants made up of advisers, people from practice management and training organizations. The quality of the unit material is of a very high standard with all participants being very excited about the value of these units to the financial advice process.

The pathway is a credit to the Education committee and our Joint Venture Education provider, RG 146 (PS 146). Congratulations to Jim Taggart Education Chairman and his committee to together Dr Mark Sinclair Manager Director of RG 146 for all their work in making the pathway to FChFP AFA1 happen. Many thanks to all the Financial services people who have contributed in one form or another.

APLIC 2011

One of the decisions made at the A GM was for the location of the Asia Pacific Life Insurance Congress (APLIC) for the year, 2011. There were two bids for this event. One bid was from The Sydney Convention and Visitors Bureau and the other bid was from Tourism Malaysia, MAS Airlines and Kuala Lumpur Convention Centre as a joint bid. I am pleased and proud to report that the bid by The Sydney Convention and Visitors Bureau was successful. The expected number of attendees is between 6,000 and 8,000. The Sydney Convention and Visitors Bureau bid was supported by Prime Minister Mr Kevin Rudd and Minister for Tourism Mr Martin Ferguson for the Australian Government, the Premier for New South Wales, Mr Morris Lemma for the New South Wales Government and all levels of government in New South Wales as well as Tourism Australia and a number other organizations.

MDRT

This year I attended MDRT as a Guest for the meeting held in Toronto Canada. It was a tremendous meeting with a lot of learning and fellowship. The Australia night which was held on Monday the 24th June was a must for all Oceania attendees. Many attendees from other countries would love to come. A few manage to get through the door. There were 200 attendees at the Australia night and it was great to catch up with as many of them as possible. From an AFA perspective it provided an opportunity to get to know the Australian MDRT members a little better and discuss some of the issues facing Financial Advisers in Australia. Attendance to an MDRT meeting is a great experience and all Financial Advisers should make their goal to attend.

GenXt

The growth in the AFA GenXt numbers and activities over the past two years has been the most exciting part of my time as president. There have been seven GenXt Road Shows around the States of Australia and numerous other GenXt meetings, functions, seminars, workshops and social events in various States. The interest is continuing to grow. The GenXt members of today are our industry leaders of the future and they are the future of the AFA.

In 2006 I suggested that a minimum goal for our association should be that our National Board of directors consists of a least 50% GenXt directors from 2010. I believe that with the momentum that has been achieved with GenXt, this goal will be met.

If you are a GenXt person in Financial Services then do not miss an opportunity to get involved when there are events in your area.

To get involved in the GenXt activities in your State, please contact your State Director. To join AFA, please logon to www.afa.asn.au and print out an application form, complete it and fax it to 02 9089 8690.

AFA Chapters/Branches

Activities throughout Australia have been very buoyant with a number of Chapters being reignited and new ones opening. This activity extends as far north in Qld as Cairns, south to the Gold Coast and West to Toowoomba. In NSW Chapter activities have extended to Lismore, Newcastle, Armidale, Sydney Norwest, Canberra and Woollongong with other centres generating interest. Victoria has not been idle with a regional Roadshow taken to the larger rural provincial centres on two occasions over the past year and a bit. A lot of interest in setting up Chapters has been received. Thank you to Gerry Porter, Jim Taggart, Kerry Sharp and their state teams for their dedication and hard work in making all this happen. A lot of progress has been made on Chapters in the other States with more to do over the next 12 months.

AFA National Road Show – Forum

The 2008 road show was a great success this year with over 950 attendees Australia wide. We had five touring guest speakers, Kristina Kalantzis, Chris Browne, Phillip Young, Joe Ferry-Gibson, Neil Gomersall and Cliff Garrels. A special thank you to all of our guest speakers.

AFA Rising Star of the Year Award – Sponsor ING

This year we had 34 nominations for the Rising Star of the Year. The high standard of the nominees this year is almost beyond belief. This made the judging process very tight with the judges finely checking the credentials of each of the nominations. It was very difficult to choose a winner from the finalists. Congratulations to the finalists and the winner Brad Fox. Thank you to the sponsor, ING.

AFA Adviser of the Year Award – Sponsor Zurich

For the Adviser of the Year award, we had 14 nominations this year. The standard of the nominees continues to reach new highs each year and this year is no exception. The judging process was very vigorous with the judges finely checking the credentials of each of the nominations. It was very difficult to choose a winner from the finalists. Congratulations to the finalists and the winner who will be announced tonight. Thank you to the sponsor, Zurich.

IFSA

The AFA continues to have a good working relationship with the Investment and Financial Services Association Limited (IFSA). We met from time to time to discuss matters of interest to each other.

Constitution & By-Laws

We now operate under a new Constitution and By-Laws that was passed by attending members and proxy members at the AGM in Sydney on 12 November 2007. Thank you to Michael Harrison, committee chairman who made things happen for these changes.

Membership

Our membership target in 2006 was 2000 members by December 2008. Our current level of membership is up by 45% on the number of members in 2006. To reach our target we need another 800 members by December 2008. I am now asking you all to help us achieve the 2000 level by December 2008. I challenge each one of you to recruit at least one new member by 31 December 2008. If you each do this, then we will double our membership in just 2 months.

Please do it now. To join AFA, please logon to www.afa.asn.au and print out an application form, complete it and fax it to 02 9089 8690. **One 4 One**

AFA National Conference

This year's conference is a credit to the conference committee and the conference organizers, Conference Plus. With the exciting lineup of Main Platform speakers as well as an array of concurrent workshops, I do hope that you all realise your dream **“from passion to prosperity”**.

Thank you to the AFA committee members, Paul Riegelhuth Chairman, Gerry Porter Deputy Chairman, Richard Klipin CEO, Michael Harrison, Kerry Sharp and Mark Hawes. Thank you to Luba & John Richards of Conference Plus for making this event such success. Congratulations Guys.

AFA Partner Sponsors

Thank you to all our partner/sponsors whose financial and personal support that allows our association to be more relevant and effective in lifting the profile of the value of advice in the financial services profession.

AFA Board 2006 – 2008

Our board is made of 9 Directors. One director from each State with 3 to fill the National positions of President , Vice President and Treasurer. Each director has their own views and advice upon how the association should operate and the varying agendas that apply to their State or applicable to their position. Because of this variety of backgrounds, views and agendas, we have very spirited and constructive discussion at our board meetings. I would like to thank all the board members for their input, advice, council and contribution in making the past two years a successful outcome in moving our association forward.

Thank you to Gerry Porter Queensland Director Jim Taggart New South Wales Director, Kerry Sharp Victorian Director, Craig Yates Tasmanian Director Michael Harrison South Australian Director Alan Downs Western Australian Director, Paul Riegelhuth Vice President and Mark Hawes Treasurer. Congratulations Guys.

AFA Staff

Our association would not function without the support and backup of good people. Our success is directly attributable to these people, Richard Klipin CEO, Janelle Saunders Business Manager and Melissa Favalaro Marketing & Office Co-Ordinator. Thank you and Congratulations.

Report Ends

Thank you once again for your support and allowing me the opportunity to serve as your President.

Dennis Bateman