



WE NEED TO ADDRESS THREATS AND OPPORTUNITIES - PETER DALY



AIOFP President, Peter Daly

WELCOME to the Gold Coast and the 2010 AIOFP Conference where as members we will discuss during the next three days a range of issues that are likely to confront our industry for the foreseeable future

They include:

- A hung parliament
- Industry reform
- Planner reputation, and
- Margin squeeze

How will the new minority Labor Party government co-exist with the financial planning profession?

You will have the opportunity to address that question directly to members of the new Parliament and personally trade views with the Minister for Superannuation, Bill Shorten.

A PRIVATE PERSPECTIVE

A year ago Bernie Ripoll attended our Gold Coast conference and provided a private perspective into the recommendations he was proposing to table.

For me it illustrated one of the key differences that AIOFP represents. Other industry conferences provided Bernie with 15 to 30 minutes to voice his views in sessions where he was one of several panel members.

AIOFP provided a forum lasting nearly two hours when Bernie spoke from the heart, listened as much as he talked and engaged in two-way feedback.

This year we will have similar opportunities, don't waste them.

Industry reforms are coming, the future of financial advice (FOFA) will affect us all:

- Transition to fees
- Fiduciary duties
- Intra-fund advice
- Value related payments
- Commission banning

Collectively we need to address these threats and opportunities.

Have you considered, or taken into account for example, the effect FOFA will have upon you and your business?

The conference represents the ideal platform to confront these issues, network responses and agree collective actions while simultaneously learning from each other.

Treasury are responsible for implementing the proposed FOFA reforms. Richard Sandlant is one of the key architects and in similar forum to that involving Bernie Ripoll last year; you will be given the opportunity to communicate your thoughts and views.

Margin squeeze. Who will bear it? AIOFP has responded to the threat and introduced private labels, SMSF solutions, and we are developing new products and services that together collectively we will build.

VILIFICATION OF PLANNERS

We have all experienced the vilification of planners as a consequence of company collapses, MIS schemes or product failures, and due to the greed and conduct of a small minority of advisers.

We need to stand together, embrace initiatives such as the FRC, professional qualifications and value of advice. The AIOFP conference represents the most practical platform from which to confront industry issues, network responses and consider collective action.

In my opinion AIOFP is not just another lobby group. We represent practical individuals who value institutional independence and together have the opportunity to harness and focus our collective buying power for the benefit of our clients and our individual practices.

Enjoy the 2010 conference!

- Peter Daly is managing director and chief executive of AFS Ltd.



DEAD HEAT IN MEMBER OF THE YEAR AWARD



Executive Director, Peter Johnston (left) congratulates Sydney-based member Andrew Reeve-Parker for his joint win in the inaugural "Member of the Year" Award.

THE AIOFP honoured two members last night as inaugural winners of its "Member of the Year" Award.

Sydney-based member Andrew Reeve-Parker and Melbourne's Dr Dennis J Maddern (pictured below) were judged equal winners and receive a \$500 cheque, an inscribed antique clock and a prize certificate they will be able to hang in their offices.

Receiving his prize Mr Reeve-Parker described the award as a great honour for himself and other members of the AIOFP.

SIGNIFICANT CONTRIBUTION

The Member of the Year is chosen by the judges as the person or persons who were judged to have made a significant contribution to promoting the image and ongoing work of the association during the previous 12 months.

Andrew, a partner in NW Advice, at Manly, was chosen because he had contributed "more than 150 hours" of voluntary time to the affairs of the association, in particular the role he had in assisting the development of the

association's Filtered Research committee.

AIOFP executive director Peter Johnston said that Andrew not only was a member of the committee but had been responsible for direct negotiations with JBWere, Morgan Stanley, Smith Barney and also with the Mercer group.

JUDGES IMPRESSED

"The judges were particularly impressed that Andrew not only gave freely of his time, but became committed to the role he had negotiating on behalf the association," Mr Johnston said.

Dr Maddern, the joint winner, runs the high profile practice, Maddern Financial Services at Malvern, with his two sons.

Both he and Andrew Parker-Reeve were described by Mr Johnston as "standout winners."

He said that Dr Maddern was a member who was "always first in to support AIOFP initiatives".

"He has become our first Certified Financial Strategist. He was first in to support our Filtered Research Committee and he has pledged his support for Personal Choice Private," Mr Johnston said.

Unfortunately neither member was present when the award was announced at last night's conference dinner, Andrew was in his room resting and was caught off guard when told of his win. Dr Maddern was delayed by airline difficulties.

After receiving his award at an impromptu ceremony later Andrew said that he regarded the recognition as "a great honour to me and my fellow members of the AIOFP who have helped me to expand my knowledge and provided me with opportunities for the benefit of my clients."



The best fund managers in the world



Combined in the smartest possible way



Implemented with efficiency & discipline



MLC Investments



It all adds up

IT WAS TIME TO MEET AND GREET

At the welcome AIOFP cocktail party last night it was time to catch up, meet newcomers and set the scene for a great event at the Gold Coast's Q1 resort. Here are a few pictures and we'll have more in the next edition of the Financial Strategist.



Country delegates (at right) Nancy Sobayeni and Ross Anderson of Anderson Tax and Investment Advisers, Griffith.



Taking time out: Michael Phillips of Sydney based Phillips Financial, chats with New Wealth's Deja Pekic, KeyonPrendeville's Stephen Prendeville and Clive Penring, from the University of Adelaide.



Swapping tales: MLC's Michael Grammitco catches up with Russell's Damon Riscalla and Michael Butler from AFS Ltd.



Enjoying cocktails: Nick Brookes, principal of Melbourne-based CCSL asset trustees, chats over drinks with Cassandra Virtue, daughter of AIOFP member Anthony Virtue who came to Surfers with her Dad.

PAPER WILL SHOW BUSINESS PRICES HAVE LIFTED TO 3.3 TIMES RECURRING REVENUE

SPECIALIST adviser Stephen Prendeville (pictured left) will brief delegates today on the key issues of market pricing and the likely flow-on effects of industry reform.

His paper, due to be delivered in the post lunch session, is expected to show that the prices for financial business practices have improved to about 3.3 times recurring revenue, slightly up on last year's earnings number of 3.26 times revenue.

VICTORIA HAS LEAPT AHEAD

On a state by state basis, Mr Prendeville will argue that the Victoria has leapt ahead of its cross border rivals.

The average price for a Victorian business is now 3.43 times

recurring revenue compared with the national average of 3.30.

PROVIDING ADVICE

Mr Prendeville, a co-founder and director of the Melbourne based firm Kenyon Prendeville, specialises in providing advice to the financial planning industry.

During his address he also plans to canvas issues arising from the Ripoll, Bowen and Cooper reports

He will argue that the financial planning sector should not fear the changes that Federal legislators are planning.

Instead they should be prepared to change with the times and adapt their business models.

Mr Prendeville has built an

enviable reputation in financial services, product manufacturing, distribution, sales and management in the financial services industry.

He was Australia's youngest certified investment planners in 1987.

He established National Mutual Financial Planning (VIC) and then held a senior role in funds management with First State Fund Manger for six years through a period of exponential growth.

CEO OF NATIONAL DEALER GROUP

Later he became a partner in Deloitte Touche Tohmatsu, and was made chief executive officer of the national dealer group Deloitte Financial Services, which he sold in 2001.

With Alan Kenyon, he formed Kenyon Prendeville which provides business owners with independent advice on business sales, acquisition, growth strategy, or re-engineering strategy.

MLC Investments.
Speak to MLC today or
visit mlc.com.au

