From Efficient to Successful

One of the secrets to fulfillment in life is knowing, embracing and passionately striving towards your true purpose.

For most in medicine this purpose is clear, but what often lets healthcare professionals down is their lack of understanding of the most efficient path to achieving their goals – the execution.

Via our courses and editorial, we often say that our mission, our purpose, at the Private Practice is to help efficient medical practitioners become successful medical practitioners.

Medical School has taught you to be effective; to be capable of performing the medical art with as much certainty and professionalism as possible. This has required aptitude and sheer hard work, an ethic that continues in to private practice and is fostered by the demand and supply inequality for and of your skill and services.

A successful medical practitioner, however, works balanced hours, has little stress, leads a rich and rewarding family life and has an economic life, that is diverse, fulfilling and shows a continuous return on investment.

SMART MOVES

During my 28 years of working with doctors and other healthcare professionals, I have rarely come across truly successful practitioners.

Professional accolades and financial accomplishment will most definitely come from focusing on your purpose and simply working hard. But unless you’re working smart as well as hard, you are unlikely to achieve the success that really matters – a lifestyle for your family with you at the centre, not simply at the edges, bringing home the bacon, but present in their lives.

This requires you to manage your business and financial affairs so as to generate that most valuable and elusive of assets – time.

My favourite definition of a true business is a working/professional environment that allows you to take three months off and come back with little changed. How many healthcare practitioners can do that?

In fact, the great majority of private practitioners are more accurately labelled as self-employed rather than business owners. I contend that your aim should be to establish and manage a practice that works despite you, not because of you.

This is achievable no matter what your specialisation is – it simply requires an understanding and adoption of basic business and financial-management principles.

It starts with acknowledging the knowledge gap between where you are now as effective medical practitioner and where you strive to be as successful medical practitioner – between doctor and business person, with lifestyle as your beacon.

VISION SPLENDID

The next step is simply to lift your level of knowledge so you can make informed decisions and, when relevant, say: “I don’t want to do it that way anymore.”

So, at the Private Practice our purpose is to help healthcare professionals address the value of their lives. We aim to provide you with the knowledge and resources to challenge the accepted ‘wisdom’ and to do things differently, to envision the life you want for you and your family, and to work hard and smart to achieve and maintain it.

Thanks again for your continued support. It is very gratifying to know that, more and more, we are preaching to the converted.

We hope you enjoy our 13th edition of The Private Practice e-Zine and look forward to seeing you at our upcoming courses and workshops.

Steven Macarounas, Editor
editor@theprivatepractice.com.au
Gain an in-depth understanding of all aspects of establishing and managing successful medical practices, together with training on the actions, processes and habits required to establish and maintain your desired lifestyle.

COURSES

The Private Practice Symposium
– for Established Fellows & Practice Managers

ADELAIDE Friday 4th April 2014
This Symposium is presented for established Practice Principals and Managers (and even ‘soon-to-be-retiring’ practitioners) and will address issues and concerns such as Policies, Systems & Procedures, Succession Planning, Financial Modelling, Business Planning, Superannuation and Retirement Strategy + more.

Transition to Private Practice - The 2014 Private Practice
‘Comprehensive’ – for Senior Trainees & Recent Fellows

MELBOURNE Friday 23rd - Sunday 25th May 2014
SYDNEY Friday 22nd - Sunday 24th August 2014
This ‘Comprehensive’ course is designed to assist senior Trainees and recent Fellows with the transition to private practice by introducing and providing training on business and financial principals that will underpin successful establishment and management of their business and personal lives.

‘A fantastic and invaluable course! A lot of effort was put in to get speakers who are specialists in their field, covered so many topics in a structured way – a must for all new specialists!’ Senior Surgical Trainee 2013

2014 Practice Succession & Transition Planning

MELBOURNE Saturday 24th – Sunday 25th May 2014
SYDNEY Friday 22nd - Sunday 24th August 2014
A 2 Day intensive workshop to help develop a succession plan for your medical practice, to guide you in achieving and maximising ‘sale-able’ practice value, to help set a path for transition from practice to private life and ensure continuity of patient, referrer and community relationships.

‘Very enjoyable and very approachable presenters, encouraged me to re-look at my practice to improve its profile and sale-ability. Identified key areas for improvement and to whom I should go for help’ Obstetrician & Gynaecologist

TSANZ Private Practice Symposium
– for Established Fellows & Practice Managers

ADELAIDE Friday 4th April 2014 Preceding the TSANZ Annual Scientific Meeting

This Symposium is presented for established Fellows and Practice Managers and even ‘soon-to-be-retiring’ practitioners and will address issues and concerns such as Policies, Systems & Procedures, Succession Planning, Financial Modeling, Business Planning, Superannuation and Retirement Strategy + more.

Prepare for your best financial future with BT’s award winning products.

Recently BT was honoured to receive two awards at the 2013 Financial Review Smart Investor Blue Ribbon Awards. But it’s our customers who are the real winners. For the past 40 years, BT has been helping Australians prepare for their best future with market leading products and services.

For the 3rd year in a row, BT Wrap was awarded Smart Investor’s 2013 Investment Platform of the Year*. The award recognised BT Wrap’s flexibility and choice, which helps you make smart investment decisions.

This year BT Protection Plans’ ‘Living Insurance’ was also recognised as Trauma Product of the Year by Smart Investor*. BT’s aim is to provide a flexible, comprehensive and modern trauma solution, to provide our customers with confidence their policy will be there when they need it most.

So whether you need help with super, investments, insurance or financial advice, you can feel confident that BT will help you prepare for the future you deserve. Find out more today.

For more information about how BT can help protect you financially, please speak to your nearest Private Practice endorsed Financial Advisor:

New South Wales: Warren Skinner, Pittudlton (02) 9585 5050
Victoria: Denis Durand, Durand Financial Services (03) 9909 7536
Queensland: Scott Moses, Lane Moses Private Wealth (07) 3720 5299
South Australia: Andy Murdock, Ora Financial Services (08) 8211 6611
Western Australia: Wayne Leggett, Paramount Wealth Management (08) 9474 3532

* Awarded by Financial Review Blue Ribbon Awards 18th July 2013. The awards are opinions only and not statements of fact or recommendations to acquire, dispose or hold interests in BT Wrap or Smart Investor

They help you prepare for your best financial future.
COURSES

The RANZCOG Private Practice ‘Comprehensive’ – for Senior Trainees & Recent Fellows

MELBOURNE Friday 23rd - Sunday 25th May 2014
SYDNEY Friday 22nd - Sunday 24th August 2014

This ‘Comprehensive’ course is convened on behalf of the Royal Australian & New Zealand College of Obstetricians & Gynaecologists. The course is designed to assist senior Trainees and recent Fellows with the transition to private practice by introducing and providing training on business and financial principals that will underpin successful establishment and management of their business and personal lives.

‘Very helpful, and anyone planning private practice should attend’ Senior Trainee 2013

The AOA Private Practice ‘Comprehensive’ – for Senior Trainees & Recent Consultants

SYDNEY Friday 22nd - Sunday 24th August 2014

This course is designed to assist senior Trainees and recent Consultants with the transition to private practice by introducing and providing training on business and financial principals that will underpin successful establishment and management of their business and personal lives.

‘Excellent, comprehensive & I think it should be part of the surgical curriculum’ Senior Surgical Trainee 2013

The RANZCOG Practice Succession & Transition Planning Workshop – for established Practice Principals and Managers

MELBOURNE Saturday 24th – Sunday 25th May 2014
SYDNEY Saturday 23rd - Sunday 24th August 2014

A 2 Day intensive workshop to help develop a succession plan for your medical practice, to guide you in achieving and maximising ‘sale-able’ practice value, to help set a path for transition from practice to private life and ensure continuity of patient, referrer and community relationships.

‘Very enjoyable and very approachable presenters, encouraged me to re-look at my practice to improve its profile and sale-ability. Identified key areas for improvement and to whom I should go for help’ Obstetrician & Gynaecologist
ECONOMICS & MARKETS

GROWING PAINS
The sad part about a month that vindicated one’s views at the start of the month is that it leaves little to write about.

In February, Australia was host to a G-20 meeting of finance ministers and central-bank governors, held in Sydney. It was expected that the developing nations at that meeting would chastise the Federal Reserve Bank for adding to their problems by the “tapering” of quantitative easing, which has been blamed for unstable capital outflows from emerging nations.

Any such chastising was either done behind closed doors, or not at all. The Fed, would, of course, assert that it is conscious its policies have some effect on the rest of the world but that its focus must remain primarily domestic. I would add that the problems of emerging markets are far more widespread than Fed-induced capital outflow.

The G-20 also agreed to work together to stimulate output by an extra 2% over the next five years. On the face of it, this is very odd. Who, after all, is against growth? The same people, one supposes, who are opposed to motherhood and apple pie.

So, is this commitment to growth just a meaningless platitude (not exactly uncommon in G-20 communiqués)? Not necessarily. While the commitment is of limited operational significance, it may have some effect when other policy decisions — relating, for example, to austerity policies, or to trade agreements with other nations — are under consideration.

DOMESTIC NEWS
The labour-market news for February finally showed some improvement, although employment still shows just 0.6% growth in the previous 12 months. The unemployment rate remains at 6%, the highest it has been for 10 years. It was 5.4% at the start of 2013.

And, of course, there have been some major “job-loss” announcements. Toyota announced that it was following Holden through the exit door three years from now, and Qantas announced its intention to reduce its headcount by 5000. Alcoa announced the closing of a plant, with at least one politician being silly enough to blame the closure on the carbon tax. Being a heavy user and thus a receiver of credits for emissions, Alcoa almost certainly made money from the carbon tax.

The standard response of macro-economists is to point out that it’s always the big job losses that get the attention, while jobs are created elsewhere in the economy. They point out that employment has expanded by 3.9 million (more than 50%) since its post-recession low in early 1993 (not a single one of those in manufacturing, of course). I’ve made those arguments myself. They just become a little more difficult to sustain when, as is the case currently, aggregate employment is close to stagnant.

Economists also console themselves with the fact that both employment and unemployment are lagging indicators, thus telling us more about the past state of the economy than about the current and future state. And they point to myriad signs of improvement elsewhere. In the second half of last year, growth in retail picked up, almost all indicators relating to housing have clearly strengthened and business confidence is on the rise.

In the year to the December quarter 2013, GDP increased by 2.8%, still below trend but a significant step up from 2.4% in the year to the September quarter. But it certainly would be nice to be able to see that the labour market is improving rather than relying on faith that it will do so!

SEEKING SIGNALS
My view remains that the RBA will not cut rates again, although the Bank will be looking for some improvement in the labour market. The rise in the unemployment rate to 6% will not in itself force the RBA’s hand; its own forecast has been for some time that the rate will eventually get to 6.25%, so the February news is not a game-changer.

The RBA will also be looking for more signs that the economy is handling the transition from the end of the mining capex boom to growth from other sources. The capex expectation data released in February were quite discouraging in this respect, recording a decline in investment in Q4 2013 and foreshadowing a further steep fall over the next 18 months.

My recent end-of-year forecasts – 5700 for the ASX200 and ‘low 80s’ for the currency – are unchanged.

LOOKING FOR SIGNS
Lagging indicators may make economic predictions challenging, but Chris Caton remains confident regarding his end-of-year forecasts.

It’s nice to get a short-term call correct. Last month, looking back on a poor January, I suggested that markets would recover. February was a far better month, indeed, in many ways it was almost a mirror image of January. The Australian share market rose by 4.1% and the US market, as measured by the S&P 500 index, rose by 4.5%. Both markets thus more than recouped their January losses. Emerging markets also began to recover, the MSCI for Asian emerging markets rose by close to 3% in the month, although it is still down year to date. Even the exchange rate undid most of what it did in January, rising from 87.6 cents to 89.2 cents. It started the year at 89.6 cents.

Chris Caton is Chief Economist of BT Financial Group.

The Private Practice Autumn 2014
Information therapy can be defined as the prescription of the right information to the right person at the right time to help them make better health decisions.

The ‘right’ information is accurate because it is evidence-based, approved by experts, up to date, easy to read and understand, available in many different formats (including local languages and audiovisual formats) and referenced.

The ‘right’ person means this information needs to be delivered directly to the patient (and their caregivers). This information is best dispensed to a patient by his or her own doctor – the person they trust the most when it comes to their health.

The ‘right’ time means the information should be provided when the patient needs it – that is, in time to help them make the best possible medical decisions.

So, what is the ‘right’ information, and who decides what is right?

ON THE RIGHT PATH

There are several ways of delivering this powerful tool – it can be clinician-prescribed, system-prescribed, or consumer-prescribed. At present, most patients get information through their own research, often online where plenty of unreliable and misleading information exists.

Unfortunately, patients are often not knowledgeable enough to conduct searches that yield valuable results.

In an ideal world, all relevant information would be routinely handed over to patients by doctors. It’s a fact that hospitals and medical centres that systematically implement information-therapy applications will be in a better position to gain market share, profitability and prestige over those that don’t. It actually makes good business sense in a world where healthcare is rapidly evolving around the world.

We now have empowered consumers (who demand time, information, control, and service), a new focus on quality (which promotes safer medical care and a move towards pay for performance), and a new way of validating what does and does not work in medicine (the science of evidence-based medicine).

Thanks to the Internet, we are also equipped with the technology needed to reach out to consumers – it connects anyone, anywhere, any time to quality information.

These drivers create a compelling case for information therapy, which revolves around an expanded patient role. As healthcare evolves, the following should occur:

- Every clinic visit, medical test and surgery is preceded or followed by information-therapy prescriptions.
- Information prescriptions sent between in-person visits will extend the continuity of care.
- Patients will play an active role in shaping how they want information to be delivered to them.

Information therapy is a very cost-effective solution that allows a doctor to put each patient at the heart of the care he or she provides.

As the renowned poet and writer Kahlil Gibran once said, ‘Progress lies not in enhancing what is, but in advancing toward what will be’.

In the delivery of excellent patient care, you and every one of the doctors in your practice should be prescribing information to each and every patient.

AVOIDING SIDE EFFECTS

I recently had an interesting conversation with a senior doctor who was quite skeptical about the value of empowering patients with information. He felt this was a fad, and would just create more problems.

He believed medicine was a complex subject – after all, it takes years of full-time training to become a surgeon, so how can one expect patients to understand the nuances of their medical problems in a few minutes? Isn’t it far better for them to trust their doctor, who is the true expert, and who can help them heal quickly?

The doctor was very critical of patients who came with pages and pages of Internet printouts about their medical illnesses. He felt they were often very confused and ended
wasting a lot of their own time and his by wanting to discuss options and alternatives that did not make any sense. He also felt that second-guessing just caused patients to doubt their doctor, and this loss of faith and trust would end up harming patients and doctors as well.

In general, he was quite dismissive about “well-informed patients” who felt they had become “half-doctors” by reading and researching their medical problem online. He believed a little knowledge can be dangerous, and patients who think they know a lot about their disease often created more problems than they solved by challenging their doctor’s decisions.

He also highlighted the fact that doctors, not used to having patients disagree with them, can often end up getting upset and angry with “well-informed” patients, which makes doctor-patient relationships confrontational rather than cooperative.

While everything he pointed out was true, this doesn’t mean there is anything wrong with the idea of information therapy. Like anything else, information can either be used properly or misused and abused.

The key is that the information we provide needs to be reliable, updated, evidence-based and tailored to each patient’s needs. If every doctor prescribed information rather than forcing patients to seek it out for themselves, this would create a win-win situation. The patient would trust this information since it was coming from his doctor and would not have to waste his time wading through pages of potential misinformation. The doctor would also be more confident that the patient was well informed and had realistic expectations of his medical treatment.

**BACK TO BASICS**

It’s important to remember here that the word doctor is derived from the Latin word docere, which means to teach or instruct. When doctors don’t do so, we are abdicating our responsibility and forsaking our patients, who feel lost and are then forced to fend for themselves.

The solution is simple – doctors need to guide their patients, and prescribing information therapy is a simple way of doing so. This must be curated, reliable information that both doctors and patients trust, thus ensuring they are on the same page and are active partners in a healing relationship.

First there was Wotif.com, Seek.com, Realestate.com.au, Carsales.com.au who have forever changed the way we book accommodation, find jobs, look for property and buy cars.

Now 1stAvailable.com.au will change forever the way Australians book their health care appointments.

61% of Australian’s find the current appointment booking process frustrating and inconvenient, often resulting in a delay to treatment and worsening condition.

Here we are in the modern age of the internet, but we require our patients to telephone our practice during business hours - their busy working day.

Are you making it easy for your patients to access your services? Join Australia’s No. 1 Healthcare Appointment Booking Site. Patients book via the 1stAvailable.com.au website portal, your practice website or the 1stAvailable mobile app.

We are integrated with your practice management software systems making front desk staff adoption seamless, quick and easy.

Free to patients.

Enables patients to book with their preferred practitioner, 24x7.

Reduce telephone load on your front desk and improve patient customer service.

Your front desk and patients will love you for it.

Contact us now on info@1stavailable.com.au and find out why we have rapidly become Australia’s No. 1 Healthcare Appointment Booking Site.
Dentists interested in exploring opportunities in rural locations are invited to take advantage of a Federal Government scheme. Anna Carrabs outlines the criteria.

The Dental Relocation and Infrastructure Support Scheme (DRISS) was announced as part of the 2012/13 Federal Budget to support the redistribution of dental services to regional and remote communities. DRISS provides relocation and infrastructure support grants as an incentive for registered dentists to move to more regional or remote areas. The second round of funding was open until 26 March 2014, with the third round understood to be in the second half of this year.

There are two grants available:
- Infrastructure grants up to $250,000.
- Relocation grants up to $120,000.

Tick the Boxes
To be eligible for DRISS funding, applicants must adhere to some key criteria.
All applicants must:
- Have general registration as a dentist with the Dental Board of Australia.
- Be a permanent resident of Australia or an Australian citizen.
- Carry out private practice or a combination of private and public practice in the relocation destination.
- Be relocating to a place more regional or remote than their current practice.
- Be providing predominantly general dental services.
- Relocate on or after 1 July 2013.

In determining the eligibility of practice locations, the Australian Standard Geographical Classification – Remoteness Area (ASGC-RA) is used to demarcate the level of remoteness. Applicants moving to very remote locations will receive greater priority weighting.

It should be noted that applicants relocating to work solely in the public sector will be ineligible.

The Infrastructure Grant
Infrastructure grants up to $250,000 are available to applicants wishing to relocate to a more regional or rural location and establish or upgrade a rural dental practice.

The grant can be used for various expenses, such as:
- Purchasing or upgrading dental equipment.
- Capital works to construct a dental health practice.
- Capital works to build an extension to an existing structure.
- Refurbishing an existing structure.

Rural Health Workforce Australia (RHWA) will consider applications for Infrastructure Support Scheme (DRISS) funding at various stages of business planning. This includes applications where premises are to be secured.

The assessment committee considers various items for successful applications, including the practice location in proximity to other dental applicants, proposed business and client-service models.

Successful applicants could have grants approved as quickly as three to four months, with RHWA expecting a minimum two-year commitment for the Infrastructure Grants.

The timing of payments varies according to whether the relocating dentist is setting up a new practice, whereby full upfront payment is made upon commencement of the new practice, or joining an existing practice, whereby 50% payments will be made six and 12 months after commencing.

Note: The information provided in this article is for discussion purposes only. If you require further information, please go to www.rhwa.org.au/DRISS or call Anna Carrabs at William Buck NSW on 02 8263 4000.

Anna Carrabs is a Director at William Buck.
INSURANCE

IT’S COMPLICATED!

While it is possible to fund life insurance via your superannuation, Katherine Ashby advises that you understand the implications and seek professional advice before making any decisions.

There are few expenses in life for which we can use our superannuation; one of these happens to be insurance, specifically life and disability cover. In using your super to pay for the premiums, the super fund becomes the owner of the policy and any claim proceeds are paid into the super fund, rather than direct to the person insured.

Ordinarily this doesn’t create too many issues, as events such as death or permanent incapacity allow access to superannuation and it follows to the claim proceeds. But it does add a lot more legislative complication to your policy, including restrictions on the type of cover that can be held, taxation on proceeds and even who can be a beneficiary.

FOUR FUND TYPES

Insurance inside your super fund is quite varied, depending on the fund and the policy. Generally your fund will be one of the following:

• INDUSTRY FUNDS: Often referred to as corporate/employer funds, these funds offer insurance, generally at a default level with the opportunity to increase the cover. This cover is normally ‘group insurance’, which means the terms and conditions may be more restrictive than if the cover was underwritten on an individual basis. It can be more affordable to own insurance through a group policy but this cover is often unit-based, which means the older you are, the more your cover level goes down.

• PLATFORM/RETAIL SUPER FUNDS: BT SuperWrap is an example of a platform super fund, which is usually set up for you by a financial adviser. You can access individual insurance inside the fund, which gives you access to Life, Total and Permanent Disability (TPD) and Income Protection. As the policies are individually underwritten, the terms can be more generous and the cover is generally guaranteed renewable, meaning the insurer cannot cancel or reduce the cover if your health or employment-status changes.

• NON-ACCUMULATION MASTERTRUSTS: Also provided by financial advisers, these mastertrusts are essentially a shell—they do not have any super funds contained within, but contributions are made to the fund and then deducted in the form of insurance premiums. Advisers may do this to access a certain policy that is not available through your super fund, or to keep the insurance separate from your super balance. Be sure

Katherine Ashby is the Senior Product Technical Manager, Life Insurance at BT Financial Group.
If you are going to use your super to fund insurance, it’s important to consider the impact the premiums may have on your super balance, and hence the adequacy of your retirement savings. Premiums can be quite expensive and, if you find your funds being eroded, you may need to consider making additional contributions.

Concessional contributions are limited in 2013/14 to $25,000 for those up to age 59, or $35,000 for those aged 60 and over. In 2014/15 this will rise to $30,000 for those up to age 49, and $35,000 for those aged 50 and over.

Non-concessional contributions are those you make yourself and that you are paying are effectively super contributions. These means those amounts count towards your contribution caps, as described below. All policies owned in this way are individual policies.

**SELF MANAGED SUPER FUNDS (SMSFs)**: These funds can own individually underwritten policies and can generally access a wider range of cover, including Own Occupation TPD and Trauma Insurance. SMSFs have access to more policies, as the trustee is the one responsible for deciding whether or not the cover is appropriate.

If you are going to use your super to fund insurance, it’s important to consider the impact the premiums may have on your super balance, and hence the adequacy of your retirement savings. Premiums can be quite expensive and, if you find your funds being eroded, you may need to consider making additional contributions.

Any contributions you make will count towards your concessional or non-concessional caps.

**Concessional contributions** include those made by your employer (superannuation guarantee) and those you make for yourself as a self-employed or self-supported person, and for which you are eligible to claim a deduction. Concessional contributions are limited in 2013/14 to $25,000 for those up to age 59, or $35,000 for those aged 60 and over. In 2014/15 this will rise to $30,000 for those up to age 49, and $35,000 for those aged 50 and over.

**Non-concessional contributions** are those you make yourself and that you are not entitled to claim a deduction for elsewhere. Non-concessional contribution caps are currently $150,000 per year, rising to $180,000 in July with the option to bring forward three years of contributions.

Any amounts made in excess of these caps will face penalties.

**SUPER COMPLICATIONS**

Along with considering how to pay for the cover, we also need to consider accessing the claim proceeds, as these proceeds will be paid into your super fund. To access your super, you will need to meet a condition of release, which normally means attaining retirement age.

For insurance there are four conditions of release that are relevant:

- **Life Cover** aligns to the conditions of release for death or terminal illness, TPD cover (with an ‘Any Occupation’ definition) can align to permanent incapacity, and Income Protection aligns with temporary incapacity.

The need to align with these conditions of release means the policies are generally more restrictive than if held outside super. In addition, the more generous Own Occupation TPD cover or Trauma Insurance are generally not available unless you have an SMSF.

Some people prefer to have these policies inside super if they are above preservation age and could access their super simply by retiring. If you’re interested in doing this, a small window of opportunity exists to put these policies in place before the Stronger Super changes come in.

From 1 July 2014, trustees of super funds will not be able to purchase new insurance policies with definitions not specifically aligned to one of the death or disability conditions of release. Existing policies can continue, but no new policies will be permitted.

**TAX & BENEFICIARIES**

Holding your insurance inside super may change the tax payable on lump sum payments. If you hold Life or TPD cover in your own name for personal purposes, any claim proceeds are tax-free.

A death benefit from superannuation will be tax-free in the hands of a superannuation dependent, but for others, including adult children, there will be tax. If you are aged under 60, a permanent incapacity benefit released to you from super will also likely have some tax payable.

Your adviser’s calculations for the levels of cover required should account for any tax that may be payable.

Finally, make sure you have valid nominations for beneficiaries. Even if your cover is held in a non-accumulation mastertrust, without a nomination the trustee may exercise discretion to pay the proceeds to the beneficiary that they see fit. Some funds use non-lapsing nominations and others use non-binding nominations. Whichever is the case, take the time to ensure the nomination is correct and review it regularly.

There are many reasons to hold insurance inside super, including cash flow to fund premiums and providing greater tools for estate planning. However there are also added complications. Advice is important to ensure you achieve the desired outcome.

The need to align with these conditions of release means the policies are generally more restrictive than if held outside super. In addition, the more generous Own Occupation TPD cover or Trauma Insurance are generally not available unless you have an SMSF.

Some people prefer to have these policies inside super if they are above preservation age and could access their super simply by retiring. If you’re interested in doing this, a small window of opportunity exists to put these policies in place before the Stronger Super changes come in.

From 1 July 2014, trustees of super funds will not be able to purchase new insurance policies with definitions not specifically aligned to one of the death or disability conditions of release. Existing policies can continue, but no new policies will be permitted.

**TAX & BENEFICIARIES**

Holding your insurance inside super may change the tax payable on lump-sum payments. If you hold Life or TPD cover in your own name for personal purposes, any claim proceeds are tax-free.

A death benefit from superannuation will be tax-free in the hands of a superannuation dependent, but for others, including adult children, there will be tax. If you are aged under 60, a permanent incapacity benefit released to you from super will also likely have some tax payable.

Your adviser’s calculations for the levels of cover required should account for any tax that may be payable.

Finally, make sure you have valid nominations for beneficiaries. Even if your cover is held in a non-accumulation mastertrust, without a nomination the trustee may exercise discretion to pay the proceeds to the beneficiary that they see fit. Some funds use non-lapsing nominations and others use non-binding nominations. Whichever is the case, take the time to ensure the nomination is correct and review it regularly.

There are many reasons to hold insurance inside super, including cash flow to fund premiums and providing greater tools for estate planning. However there are also added complications. Advice is important to ensure you achieve the desired outcome.
Chris Mariani is Director at Medical and General Risk Solutions.

In this case study, Chris Mariani highlights the importance of being covered by Business Interruption Insurance.

One of the great benefits of attending the Private Practice workshops as a speaker are the interesting delegates you meet, all of whom are keen to learn and share their own experiences.

At a recent workshop held in Sydney, I had the pleasure of sitting next to a practice manager who managed a multi-doctor, two-location practice in Victoria. After my talk on risk management/insurance, the practice manager talked to me about a recent claim the practice made on its property insurance policy, and the importance of having sufficient Business interruption insurance. Her experiences and lessons learned are shared below.

THE DAMAGE DONE

The practice manager recalls turning up one morning to discover a significant amount of water had entered the premises, the result of a burst pipe. The water damage was extensive and included damage to the fitout and, most importantly, to the practice’s IT equipment. The clinic was shut down, insurers advised and repairers appointed. The practice manager thought most patients could be seen at the sister clinic and life would soon return to normal.

Three months later repairs were finally completed and the practice was able to reopen its doors. Most of the costs were covered by insurance, as the practice had a good-quality insurance program in place, but see the comments over on what it has since changed with the benefit of hindsight.

<table>
<thead>
<tr>
<th>KEY POINTS</th>
<th>COMMENTS FROM THE PRACTICE MANAGER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesson 1</td>
<td>It’s really about protecting your revenue stream.</td>
</tr>
<tr>
<td></td>
<td>The cost to repair/replace the physical goods was only a small amount of the total cost. Replacing desks, chairs and IT equipment is cheap in the scheme of things. It’s the loss of revenue while the doors are closed that represents the biggest cost.</td>
</tr>
<tr>
<td>Lesson 2</td>
<td>So, fully insuring your total practice revenue – not just the practice’s service fee.</td>
</tr>
<tr>
<td></td>
<td>The practice was lucky in that it had insured 100% of all revenue, which included both the service fee retained by the practice and each doctor’s earnings. This meant it was able to continue to pay the doctors at their ‘pre-claim’ amounts, even where a doctor billed less during the claim period.</td>
</tr>
<tr>
<td>Lesson 3</td>
<td>Consider at least $100,000 of ‘Additional Increased Cost of Working’ cover, and at least $25,000 for ‘Accounting Fees’ cover.</td>
</tr>
<tr>
<td></td>
<td>The practice ‘blew through’ their $50,000 cover for ‘Additional Increased Cost of Working’ in the first few weeks. It has since increased its cover to $100,000. The practice also received a $20,000 bill from its accountant for his time in proving to the insurer the loss-of-revenue figures.</td>
</tr>
<tr>
<td>Lesson 4</td>
<td>People time – don’t underestimate how much time the disaster will eat up.</td>
</tr>
<tr>
<td></td>
<td>The practice manager estimates she spent close to six months full-time managing the interruption, from dealing with repairs, IT consultants, insurers to shifting patients and doctors to alternative premises. “And a thousand other things you just wouldn’t think of… It was a full-time job by itself,” she says.</td>
</tr>
<tr>
<td>Lesson 5</td>
<td>Review your insurance policy annually – fully insure and ask for advice.</td>
</tr>
<tr>
<td></td>
<td>Being under-insured is just not worth it. Take the time to sit with your broker annually and ensure you are fully covered.</td>
</tr>
</tbody>
</table>

NOTE: This article is a follow-up to ‘Protecting Your Revenue’, which appeared in the Summer 2013/14 edition of The Private Practice E-zine (click here to read). It gives practical information based on the actual experiences of a medical practice that experienced a major disruption to its business following water damage to its premises.
FROM AN INSURANCE EXPERT’S PERSPECTIVE

Many businesses fail after a major disaster – Google ‘How many businesses fail after a disaster’, and you will see references to statistics such as: ‘Over 40% of business fail after a major disaster’. Having the right insurance program in place, one that protects both your physical assets and revenue stream, is vital.

This practice is one of the lucky ones. The directors and management team have a strong risk-management and insurance focus – even stronger post their claim. They had 100% of their revenue protected via insurance but could have had a higher Additional Increased Cost of Working sublimit.

Many medical practices I see fail to adequately understand business interruption insurance and its value. Often this is because the practice has purchased their insurance online as they simply ‘don’t know what they don’t know’. Do you want your patients to self-diagnose using Google, or see you for a diagnosis and treatment plan? Insurance is the same, engage an experienced insurance broker who understands the medical sector and use their expertise and experience to help protect your practice.

If you have any questions or need advice on your insurances, please contact Chris Mariani on (02) 9905 7005 or 0419 017 011, or email chris@mgrs.com.au for an obligation-free discussion and review.

DISCLAIMER: Medical and General Risk Solutions is a Corporate Authorised Representative of Insurance Advisernet Australia Pty Limited, Australian Financial Services Licence No 240549, ABN 15 003 886 687. Authorised Representative No 436893.
Chris Mariani, Authorised Representative No 434578.
The information provided in this article is of a general nature and does not take into account your objectives, financial situation or need. Please refer to the relevant Product Disclosure Statement before purchasing any insurance product.
Almost 40 years after the introduction of Australia’s tax-payer-funded universal healthcare system, Medicare is again in the spotlight. The Federal Government warns of the drastic measures that have to be taken if we are to retain Medicare, rightly seen by most Australians as a national treasure. So far, these measures seem to include patient co-payments, allowing private-health funds to insure the gap, and capitation-styled payments for chronic disease, modelled on the UK’s National Health Service (NHS).

Yet on its 65th birthday in 2013, the NHS, often championed as being one of the world’s greatest healthcare systems, was facing its own financial woes. In an attempt to curb excessive expenditure, new legislation was introduced in 2012, which finally abolished altogether in April 1981, Medicare-funded reimbursements per annum. And in the preceding decade the average increase was reported as being 3.9% per annum. If this trend continues, we may well be looking at a tipping point at which time we reverted to a completely fee-for-service system that uses three out of the four options, including capitation, to find solutions. For those needing a quick brush-up, here is a summary of the four options, including the well-documented advantages and disadvantages of each:

- **Salary:** This increases effort by providers and can therefore be useful in areas where there is an undersupply of needed services. However, it also introduces the temptation to over supply services beyond what is necessary.
- **Capitation:** Delivers very strong cost controls but is vulnerable to ‘cream-skimming’ behaviours, whereby providers will recruit less-sick patients who require less care and less effort on their part.
- **Performance-based payments:** Provide a good control of costs and can increase the delivery of targeted services but are vulnerable to another behaviour known as ‘gaming’, whereby providers may try and scam the system by over-reporting the services delivered. Most countries have adopted this approach. A constitutional guarantee at which time we reverted to a completely private and voluntary healthcare system for the best part of three years.

**The Private Practice Autumn 2014**

**THE HIGH PRICE OF HEALTH**

We have strong historical evidence to suggest that introducing crude methods of cost containment, such as co-payments, will do nothing more than unfairly disadvantage those who can least afford to pay. And if private health funds are able to insure the gap, it is inevitable that gaps will continue to rise, which in turn will cause the health funds to increase premiums.

It’s a headline slide into a US-style of healthcare system, which has the highest per-capita expenditure of any OECD country on health – around 18% of GDE. Both Australia and the UK fare comparatively well, at approximately 9% of GDP.

Fortunately for Australians, it is currently not lawful for public hospitals to charge public patients any fee at all. And given the glacial speed at which legislative wheels turn, the public are probably safe from A&E charges for the time being. It is also not lawful for GPs (or any practitioner for that matter) to charge patients a gap of $6 or any other amount if they are bulk billing. So exactly how any proposed GP co-payment would be implemented is still an interesting question.

But there’s no denying that spending on health is consuming more and more of both state and federal budgets. In 2009-2010, the cost of Medicare-funded reimbursements was $21.2 billion, representing 18.3% of total spending on health. And in the preceding decade the average increase was reported as being 3.9% per annum. If this trend continues, we may see MBS claims alone rising to approximately $31 billion by 2020. It’s a sizeable sum and most would probably agree that predictions like these will result in a healthcare system that we can’t afford and that something must therefore be done. But what?

**ON THE MONEY**

Given there are essentially only four ways by which doctors are paid in the developed world, it is not surprising that governments are looking at all options, including capitation, to find solutions. For those needing a quick brush-up, here is a summary of the four options, including the well-documented advantages and disadvantages of each:

- **Salary:** The clear advantage here is of controlling costs, but this does not incentivise efficiency and can even reduce the amount of services delivered.
- **Fee-for-service:** This increases effort by providers and can therefore be useful in areas where there is an undersupply of needed services. However, it also introduces the temptation to over supply services beyond what is necessary.
- **Capitation:** Delivers very strong cost controls but is vulnerable to ‘cream-skimming’ behaviours, whereby providers will recruit less-sick patients who require less care and less effort on their part.
- **Performance-based payments:** Provide a good control of costs and can increase the delivery of targeted services but are vulnerable to another behaviour known as ‘gaming’, whereby providers may try and scam the system by over-reporting the services delivered.

**CAPITATION PROS & CONS**

So, if co-payments are not the answer, is a form of capitation the way forward? A constitutional guarantee currently prevents the adoption of a full capitation-style healthcare system in Australia. Section 51 (xxixia) of our constitution provides that doctors cannot be conscripted to serve the Federal Government. It’s the foundation of our Medicare scheme, which subsidises healthcare costs for patients as opposed to paying doctors. It also complicates any potential ability for the Federal Government to take over the running of public hospitals, something Kevin Rudd wanted to address by way of a referendum during his period in office, but it was not to be.

That aside, if you had been reading the headlines in the UK in early January, capitation probably would have been deleted from your list of possible solutions.

In a surreal moment, on what felt like the very next day after the 6 Medicare co-payment headline, headlines in the UK were identical, with one in particular reading: “If GPs hadn’t dumped their responsibilities on A&E, the crisis wouldn’t have happened. Presumably ambulance crews would have to stand by until a patient could find their purse”.

The dumping referred to was a result of the Labour Government’s widely criticised 2004 reforms, which allowed GPs to opt out of providing services delivered.

**SEEKING A CURE**

In putting out an SOS for the Medicare Benefits Scheme, Margaret Faux says what we need is a thorough examination of the way it is used, along with a truly sustainable solution.
after-hours care. Not surprisingly, they all did. This, in turn, put pressure on A&E departments, where patients who had failed to become ill during office hours went to seek medical assistance.

Since the 2004 changes, patients had also complained of being unable to get an appointment with their doctor for up to a week, and of having no choice but to attend A&E. The A&E co-payment plan included a proposal to refund the payment if the attendance was necessary, beggining the question: Who decides what’s necessary? And then, of course, there was the administration of it all – who was going to collect the cash, swipe the credit cards, process the refunds and balance the books? And what if a credit card bounced – would the patient be turned away?

It was all sounding very familiar and seemed to just keep getting worse for those very same GPs who had voted in favour of the £10 co-payment, when it was found that they were earning up to £1500 a shift as they help stretch A&E units, it was reported. GPs are being paid up to £104,000 a year for their own practices.

The A&E co-payment plan included a proposal to refund the payment if the attendance was necessary, beggining the question: Who decides what’s necessary? And then, of course, there was the administration of it all – who was going to collect the cash, swipe the credit cards, process the refunds and balance the books? And what if a credit card bounced – would the patient be turned away?

Presumably the Health and Social Care Act 2012 (the Act) was designed to remedy some of these long-standing problems crippling the NHS. Capitation operates simply thus: here’s a bucket of money, here’s your population, keep them healthy. The Act abolished the long-standing primary care trusts and strategic health authorities, who used to administer the bucket of money, and replaced them with various organisations, including Clinical Commissioning Groups (CCGs) and Commissioning Support Units (CSUs).

The CCGs comprised GPs, who were given the money and the responsibility of deciding how it should be spent and proceeding to procure and contract NHS services accordingly. These services could be from private providers, as the Act allowed competition from private companies who met certain NHS standards on price, quality and safety. But being clinicians first and foremost, it was to be expected GPs would need to call on assistance and support from the CSUs from time to time, for advice on how to allocate the resources appropriately and responsibly. The CSUs had the finance and management expertise to provide this advice, or so the public were led to believe, until this appeared on 4 January 2014 in The Times:

"Health chiefs spent £10 million on advice for their own advisers as part of a $40 million management consultancy bill to implement the Government’s NHS reforms. Figures released to Parliament reveal how the hundreds of new bodies which took over running the health service in April immediately began spending millions on help from consultants. Single out for criticism were the 18 Commissioning Support Units (CSUs), created to advise the GP-led groups now responsible for buying services for patients. These in-house consultancy units spent £10 million on external management consultants in the six months to September."

A representative of the patients association said: "…[CSUs] are there to give advice and support, yet they are buying people in to give advice and support. This sort of expense is totally unjustified." It was becoming a tragedy of Shakespearean proportions when it appeared that some of the advisers, who had been hired to advise the advisers on how to advise, were senior NHS executives who had recently received huge redundancy payouts of up to £600,000 from the NHS as part of the restructuring, only to then jump right back on what was referred to as the NHS merry-go-round and be rehired as consultants a month later, to pocket more NHS funds.

The A&E co-payment plan included a proposal to refund the payment if the attendance was necessary, beggining the question: Who decides what’s necessary? And then, of course, there was the administration of it all – who was going to collect the cash, swipe the credit cards, process the refunds and balance the books? And what if a credit card bounced – would the patient be turned away?

So, it may now be a bad thing that in Australia we are unable to have a full-blown capitation system, as it’s clear that no system is without problems. Though it has been suggested a similar model on a smaller scale could perhaps be adopted for some chronic diseases. For example, a diabetic patient may be rebated a fixed amount per annum, which they would assign to the GP and which would cover all attendances related to that disease in that year. It’s a sort of capitation-per-disease model and, provided, there is no option for the doctor to revert to fee-for-service if the patient consumes more services than were anticipated, it may have some merit.

We can and should feel very fortunate that we have so much choice in Australia and can still be treated free of charge, confident that we will receive the highest standards of care. But it’s time we all engaged in a new conversation about the cost of Medicare.

Most Australians are blissfully unaware that their levy goes nowhere near to covering the cost of Medicare, which includes the MBS, the PBS and grants made by the Federal Government to the states to run public hospitals. The total cost of these three funding streams is currently close to $40 billion per annum, of which the levy, estimated in 2012-2013 as approximately $10.5 billion, covers about a quarter. The remainder is paid from other taxes.

There is a public assumption that payment of tax, by way of the Medicare levy, provides an immutably right to a package deal of health services that is all-inclusive, with no hidden or additional costs anywhere.

I see this in my work daily, as patients call to query accounts they have received, sometimes angry but more often confused. It can be mind-boggling sometimes when a patient calls who was a private patient in a private hospital, having non-urgent elective surgery, and is outraged that they might have to pay an amount from their own pocket for some, but not all, of the services they received.

We speak with so many patients who firmly believe that by having private health insurance they will never have to pay another cent for their healthcare. Yet such cover is not possible under our current healthcare system and has never been, so what makes them think that in the first place? It makes one wonder what marketing tools and strategies the private health funds use to entice and induce new members.

On the other hand, there is a time when patient frustration is completely understandable, such as when a public patient who was in the public hospital ended up with an account for a service they didn’t recall receiving.

The Australian public wears Medicare as a badge of honour, but it’s true that most don’t understand very much about how it works and are largely ignorant about the real costs of the services they receive. And let’s face it, we are all guilty of thinking that it’s “me or someone I love” who is the patient.

The Grattan Institute predicts health will consume an additional 2% of GDP in the next decade, not because of an ageing population as many believe but largely due to the use of expensive tests and treatments by doctors. But doctors are also largely ignorant about how Medicare works and their individual responsibility for the national health budget.

It’s always a privilege to assist doctors with their Medicare claiming and compliance obligations at all stages of their careers. It’s work we take very seriously, as we are often the first point of contact for young clinicians and the advice we give may impact claiming decisions they make for the rest of their careers.

I can tell you that it is always a great relief when we receive the phone call before rather than after the mistake has been made. Take last week for example, when a fairly new client – a recently qualified specialist – called to ask if he could claim Medicare benefits in a particular...
circumstance, but it just didn’t “feel right” and he wanted to check.

The situation involved him as a VMO on call, seeing a patient in a public emergency department (ED) who elected to be private and for whom he could do the quick (though expensive) procedure in ED, after which the patient could go home. It’s a scenario that definitely cannot be claimed due to a particular clause in the National Health Reform Agreement preventing patients being classified as anything other than public while they are in a public ED, irrespective of any private election the patient might make.

Another pattern of incorrect claiming averted and unknown thousands of taxpayer dollars saved! But the point is that both potential patients and this provider would have been completely unaware that the private arrangements they may have innocently entered would be wrong. And you couldn’t really blame them. I mean, who reads the National Health Reform Agreement and examines its interface with the MBS?

The problems we face go way beyond quick fixes. They lie at the very heart of an extremely complex system very few understand. And as custodians of public money, the Federal Government must do better than to impose stop-gap measures layered on top of an already labyrinthine system.

Deeper examination is required, at the service-delivery level, where entrenched attitudes and practical problems exist that have plagued the system for decades. For it is the doctor and patient who are the only two relevant transacting parties at the point of service where the money is spent, and both must be considered in any proposals for reform.

In the 2009 High Court judgement of Wong v Commonwealth, Justice Michael Kirby highlighted the importance of each individual transaction between doctors and their patients when he commented:

“...because of the very great aggregate sums of federal moneys involved and the multitude of very small payments for the provision of individual services arising in the case of particular recipients, a high degree of particularity in monitoring, supervising and checking such payments is inescapable... So long as there is any payment of moneys out of the Consolidated Revenue Fund.”

A MATURE APPROACH

It is naive to think our problems will be solved by simply changing the dollar amount of the transaction by $6 if the two contracting parties are to remain largely unclear as to the rules determining whether they should be entering the agreement in the first place.

Simple measures that don’t punish taxpayers, such as introducing cognitive steps into the transaction, have been proven to reduce expenditure both by slowing the process down and costing little to implement.

Some may remember the changes made to pathology request forms way back in the Medibank years, when the cost of tests had soared due to the ‘tick and flick’ phenomenon. The request forms included a long list of tests the doctor could simply choose from by ticking boxes. When the list was removed in favour of a free text area, where the clinician had to write down the names of the tests he or she wished to order, costs plummeted quickly and dramatically.

Millions of interactions take place daily between doctors and their patients and, by and large, our system works well. Certainly as well, if not better, than the systems in comparable countries. But if we continue to pathologise Medicare itself, reacting to symptoms and failing to treat the underlying disease, it will continue to fester and any efforts to find a cure will be hampered.

A mature conversation is needed, examining the way we use Medicare and why. Only then will meaningful and sustainable solutions be found.
Planning for the future can quite easily take a back seat when you’re busy caring for your patients, running your practice and spending what little time you have left with your family. However, with so many people depending on you, not having a financial plan in place means you could be putting yourself, your family and your business at risk.

To avoid putting yourself at risk, Steven Macarounas says it is vital to have a tailored financial solution in place.

Steven Macarounas is a Director of the Fintuition Institute.

GOOD ADVICE

Financial planning is about you and what you want to achieve in your life, and having a financial plan allows you to focus on your career, knowing your finances are heading in the right direction.

WHY SEEK FINANCIAL ADVICE?

While you may already be managing your day-to-day finances, there are many other longer-term issues you also need to deal with in order to protect and grow your wealth well into the future.

Some of the factors you will need to undertake include:
- The upfront research required to create a long-term financial plan.
- Keeping up with the constant changes in laws and regulations around tax, superannuation, insurance, retirement and estate planning.

Good financial advisers also feel it’s important to take their clients on a journey of education, and will therefore spend considerable time explaining the logic behind each recommendation, and how it ties back to their original goals. This provides you with a clear understanding of how everything fits together, every step of the way.

GOOD ADVICE CHECKLIST

- Choose a medico-specialist financial adviser, not a generalist.
- Book a ‘complimentary’ initial consultation to discuss your situation and learn more.
- More education = better outcomes for you and your family.
- Ask questions, take control and enjoy the journey!

WHAT GOOD FINANCIAL ADVICE LOOKS LIKE

- Good financial advice focuses on strategy first, products second: A good financial adviser will start by designing the framework that will help you achieve what you want in life from your finances – whether that’s growing, protecting or passing on your wealth.
- Good financial advisers also feel it’s important to take their clients on a journey of education, and will therefore spend considerable time explaining the logic behind each recommendation, and how it ties back to their original goals. This provides you with a clear understanding of how everything fits together, every step of the way.

GOOD ADVICE

To avoid putting yourself at risk, Steven Macarounas says it is vital to have a tailored financial solution in place.

Financial planning is about you and what you want to achieve in your life, and having a financial plan allows you to focus on your career, knowing your finances are heading in the right direction.

WHY SEEK FINANCIAL ADVICE?

While you may already be managing your day-to-day finances, there are many other longer-term issues you also need to deal with in order to protect and grow your wealth well into the future.

Some of the factors you will need to undertake include:
- The upfront research required to create a long-term financial plan.
- Keeping up with the constant changes in laws and regulations around tax, superannuation, insurance, retirement and estate planning.

Good financial advisers also feel it’s important to take their clients on a journey of education, and will therefore spend considerable time explaining the logic behind each recommendation, and how it ties back to their original goals. This provides you with a clear understanding of how everything fits together, every step of the way.

GOOD ADVICE CHECKLIST

- Choose a medico-specialist financial adviser, not a generalist.
- Book a ‘complimentary’ initial consultation to discuss your situation and learn more.
- More education = better outcomes for you and your family.
- Ask questions, take control and enjoy the journey!

WHAT GOOD FINANCIAL ADVICE LOOKS LIKE

- Good financial advice focuses on strategy first, products second: A good financial adviser will start by designing the framework that will help you achieve what you want in life from your finances – whether that’s growing, protecting or passing on your wealth.
- Good financial advisers also feel it’s important to take their clients on a journey of education, and will therefore spend considerable time explaining the logic behind each recommendation, and how it ties back to their original goals. This provides you with a clear understanding of how everything fits together, every step of the way.

GOOD ADVICE

To avoid putting yourself at risk, Steven Macarounas says it is vital to have a tailored financial solution in place.
• A partnership approach: Medico-specialist financial advisers understand the opportunities and challenges associated with your medical career and know there are no shortcuts. Financial security, just like being a successful medical professional, takes time and effort. That’s why a good financial adviser will always look to establish a long-term relationship with you, as this gives your overall strategy the best chance of success. There should be a strong emphasis on education within this relationship, as over time this will give you more control over your finances and allow you to make better and more-informed decisions. Also included will be a series of regular reviews to help you stay on track to meet your goals. This approach helps you to stay on top of your current obligations and keeps you one step ahead as your career and lifestyle changes, and your financial decisions become more complex.

• A wide range of services: It’s very important that your financial adviser can continue to meet your needs as your circumstances change. The ideal adviser will be able to make the most of your high disposable income by offering a wide range of services, such as:
  – Ongoing investment advice.
  – Asset and income protection.
  – Personal and business insurance.
  – Structuring advice (trusts, companies, partnerships).
  – Philanthropic services (charitable trusts, private ancillary funds).
  – Estate planning.

• An expert team: While the best financial advisers are extremely knowledgeable, even they would admit they don’t know everything about everything. That’s why an experienced adviser will often bring in specialists to assist with those more technical areas, a good example being when medical professionals apply for personal insurance. Given the unique risks and issues you face each day, it can often be difficult to obtain adequate levels and appropriate policy definitions of life insurance and income-protection cover that manage these risks. Having an insurance specialist to help you with this process means they can work with various insurers to include the appropriate policy definitions and inclusions that you need, plus optimal levels of cover. The idea is for you to have an insurance package that protects you, your family and your practice.

ADVICE FOR SPECIALISTS, FROM SPECIALISTS
Having a medico-specialist financial adviser create and implement a long-term financial plan will help you to protect and grow your wealth, and achieve your financial goals.

NOTE: This is the first in a series of articles about the value of financial advice. Part 2 will outline real case studies and delve deeply into specific advice considerations relevant to the unique work and financial circumstances of medical practitioners and other healthcare professionals.
Want to reap the full benefits of your Frequent Flyer points so you sit at the front of the plane more regularly? Steve Hui draws on his own experience to show you how.

Chances are you have more Frequent Flyer points than you know about, and the same goes for credit card points. With points, while you know you earn them every time you fly or when you use your credit card, you may be unaware of what to do with them, where they could take you or how much they are worth in dollar value.

This is the exact reason why I started iFLYflat, which specialises in maximising Frequent Flyer points for business owners and individuals so they can fly at the pointy end of the plane more often.

During my corporate career I accumulated points and came across many others that did the same, but with one key difference – other people had no real plan or idea of what to do with their points and tended to redeem them for low-value gift cards and products, while I was busy building my points and redeeming them for Business class flights. As a result I was able to increase my leisure time and reduce the effects of jetlag.

HOW MUCH ARE YOUR POINTS WORTH?

This depends on the value of the exchange to you, and what you choose to exchange or redeem the points for.

To understand this in a financial context and determine the ‘Cents per point return’, it all comes down to a simple formula:

Retail price – fees, taxes, other redemption costs ÷ number of points = cents per point

In the following table, we compare the number of Qantas points required across a number of different redemption categories. When looking at the ‘Cents per point return’ column, you will see there is a huge difference in value when points are used to redeem items such as vacuum cleaners, coffee machines, iPads or gift vouchers, compared to using the points to redeem premium flights.

The average for using Qantas points to redeem products and gift cards is 0.62 cents per point, and if you save the points for redemption on premium flights, the average is 3.03 cents. This represents 485% better value when using Qantas points for flying in the front of the plane.

While flight prices fluctuate based on high and low seasons, the number of points needed remains fixed for the whole year. Therefore, in certain circumstances, it’s possible to achieve ‘Cents per point returns’ of up to 8 cents if you plan your travel carefully.

Note: Retail flight price samples for June 2014

<table>
<thead>
<tr>
<th>Redemption Item</th>
<th>Retail Prices</th>
<th>Estimated Fees &amp; Taxes (payable on redemption of item)</th>
<th>Qantas points required (Classic award)</th>
<th>Cents per point return</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products &amp; Gift Cards</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apple iPad Air - 128gb Cellular</td>
<td>$1049</td>
<td>169,500</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>Dyson Animal Barrel Vacuum</td>
<td>$896</td>
<td>145,000</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>DeLonghi Nespresso Lattissima</td>
<td>$449</td>
<td>82,000</td>
<td>0.55</td>
<td></td>
</tr>
<tr>
<td>Samsung Galaxy Tab 3 8&quot;</td>
<td>$228</td>
<td>58,500</td>
<td>0.39</td>
<td></td>
</tr>
<tr>
<td>Hilton Hotels Gift Card</td>
<td>$250</td>
<td>39,300</td>
<td>0.64</td>
<td></td>
</tr>
<tr>
<td>Barbeques Galore Gift Card</td>
<td>$100</td>
<td>15,100</td>
<td>0.66</td>
<td></td>
</tr>
<tr>
<td>Myer Gift Card</td>
<td>$100</td>
<td>15,100</td>
<td>0.66</td>
<td></td>
</tr>
<tr>
<td>David Jones Gift Card</td>
<td>$50</td>
<td>7400</td>
<td>0.68</td>
<td></td>
</tr>
<tr>
<td>MYER Gift Card</td>
<td>$50</td>
<td>7600</td>
<td>0.66</td>
<td></td>
</tr>
<tr>
<td>Woolworths Gift Card</td>
<td>$50</td>
<td>7600</td>
<td>0.66</td>
<td></td>
</tr>
<tr>
<td>Dan Murphy’s/Liquorland Gift Card</td>
<td>$50</td>
<td>7600</td>
<td>0.66</td>
<td></td>
</tr>
<tr>
<td>Harvey Norman Gift Card</td>
<td>$50</td>
<td>7100</td>
<td>0.70</td>
<td></td>
</tr>
</tbody>
</table>

0.62 Average

| Premium Flights                  |               |                                                        |                                       |                        |
|----------------------------------|---------------|--------------------------------------------------------|                                       |                        |
| Sydney to London Business class (return) | $8277    | $1446                                                 | 256,000                               | 2.65                   |
| Sydney to London First class (return)       | $12,960     | $1446                                                 | 384,000                               | 3.00                   |
| Sydney to Hong Kong Business class (return) | $3833      | $400                                                  | 120,000                               | 2.86                   |
| Sydney to Hong Kong First class (return)      | $7083       | $400                                                  | 180,000                               | 3.71                   |
| Sydney to New York Business class (return)    | $8484       | $994                                                  | 256,000                               | 2.93                   |

3.03 Average
DOMESTIC VS INTERNATIONAL FLIGHTS

A common question fielded at iFLYflat is whether to only use Qantas points for Premium international travel. This comes down to personal preferences but it’s worth noting that the differentiation between Domestic Business and Economy class is much smaller – i.e. say between international Economy and international Business class.

While travelling in Business class domestically, you would get the added benefit of access to the Qantas Business Lounge, along with priority check-in lanes and priority baggage.

From a financial perspective, it is better value to use your points to fly Business class or both domestic and internationally.

Although it can typically be challenging to find Premium seats on Qantas flights for international routes, the airline does have plenty of seats available on domestic flights over a wide variety of dates, including during peak period. This is shown by the seats available during peak travel to Melbourne for the Melbourne Formula 1 Grand Prix – this is a good example of where the retail prices of the flight have increased due to demand, but the number of points required to redeem a Classic Award flight remains the same.

QANTAS REDEMPTIONS

Many people are caught out by the two main points-redeemption options available to members:

1. Classic Award Seats are based on a limited allocation of seats and priced on a fixed basis that is applicable all year round, dependent on routes. In terms of value, this is the best way to use your points – but as it has limited seats, sometimes there are no seats available.

2. Any Seat Award can effectively be used on any seat available for purchase with money. The quoted dollar price is converted into the points required at an approximate rate of 0.8 cents per point.

For example, flying one-way from Sydney to Perth in Business class is priced at $1429. When using Classic awards, the number of points required is 36,000 + $42; when you use the ‘View in points’ button – the number of points needed is 177,800 + no tax.

While you can see that this is clearly not good value, the main benefit is that you can use your points for any seat at all, and you can earn Frequent Flyer points and status credits, just as if you were paying for the flight in cash.

NOT ALL POINTS ARE CREATED EQUAL

Each airline has its own marketing objectives and cost structures, so airline points are not all of the same value. This is further complicated by the different rates at which a passenger will accumulate points when flying. For example, some airlines provide 1 point for 1 mile flown for Economy class, whereas another airline may provide 1.5 points for 1 mile flown – this is then increased depending on class of travel and the level of your loyalty status with that airline.

Points can also be accumulated after you have transferred your credit-card reward points to your Frequent Flyer account. Again each airline’s credit card partner will have its own transfer ratios and rules – something to be discussed in another article.

As you can see from the table, different airlines require different numbers of points to fly from Sydney to London on a return Business class flight.

In terms of its ‘Cents per point return’, Malaysian Airlines is a clear standout, followed by Singapore Airlines and Cathay Pacific. This is offset with the fact that Qantas and Virgin Australia points are much easier to earn, as both airlines have many partners and promotions. Malaysian Airlines and Cathay Pacific points are harder to earn.

<table>
<thead>
<tr>
<th>Airlines – eg: Sydney to London, Business class, return</th>
<th>Retail Prices</th>
<th>Estimated Fees &amp; Taxes (payable on redemption of item)</th>
<th>Frequent Flyer Points Required</th>
<th>Cents per point return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia Airlines</td>
<td>$8246</td>
<td>$1372</td>
<td>102,000</td>
<td>6.74</td>
</tr>
<tr>
<td>Singapore Airlines</td>
<td>$8709</td>
<td>$923</td>
<td>190,000</td>
<td>4.10</td>
</tr>
<tr>
<td>Cathay Pacific</td>
<td>$7234</td>
<td>$1091</td>
<td>175,000</td>
<td>3.51</td>
</tr>
<tr>
<td>British Airways</td>
<td>$7593</td>
<td>$1183</td>
<td>200,000</td>
<td>3.21</td>
</tr>
<tr>
<td>Virgin Australia (with Etihad)</td>
<td>$8194</td>
<td>$573</td>
<td>250,000</td>
<td>2.82</td>
</tr>
<tr>
<td>China Southern</td>
<td>$5379</td>
<td>$1001</td>
<td>155,000</td>
<td>2.72</td>
</tr>
<tr>
<td>Emirates</td>
<td>$8531</td>
<td>$1566</td>
<td>256,000</td>
<td>2.72</td>
</tr>
<tr>
<td>Thai Airways</td>
<td>$6159</td>
<td>$1542</td>
<td>170,000</td>
<td>2.72</td>
</tr>
<tr>
<td>Qantas Airways</td>
<td>$8227</td>
<td>$1446</td>
<td>256,000</td>
<td>2.65</td>
</tr>
<tr>
<td>Etihad Airways</td>
<td>$7691</td>
<td>$565</td>
<td>281,608</td>
<td>2.53</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>3.40</td>
</tr>
</tbody>
</table>

Note: Retail flight price samples for June 2014

iFLYflat provides tailored strategies that can help business owners and individuals to earn more points aligned with their travel plans, which helps them save money on travel and to travel better. If you want to learn more about how to maximise your points, call Steve Hui on 02 8006 1828 or visit www.iFLYflat.com.au

*The Private Practice Autumn 2014*
By focusing on a range of charitable causes, the Fortnum Foundation has been able to show its support for sick and vulnerable children, both in Australia and around the world.

Our medico-specialist financial advisory practice, Fintuition, is a founding member of the Fortnum Financial Group and a long-time contributor to the Fortnum Foundation. While Fortnum Financial Group aims to change the financial services industry for the better, it supports other ‘game changers’ through the Fortnum Foundation, the group’s charitable giving arm.

The charities supported share a common goal with the foundation – to put children first by fostering their wellbeing, and providing education and protection for children all over the world.

Funds are raised each year through the Fortnum 1000 Club, where an annual membership donation of $1000 is matched by the Fortnum Foundation, dollar for dollar, up to $20,000. Further funds are raised through various other events held throughout the year, including the good-natured ‘fines’ handed out at the group’s annual conference.

One such ‘game changer’ is the Neonatal Intensive Care Unit at Royal Prince Alfred Hospital (RPA), in the Sydney suburb of Camperdown. The foundation set its sights on raising $20,000 to donate to the RPA to assist them in the purchase of a SimNewB – a newborn simulator designed to meet the resuscitation-training requirements of neonatal emergency medicine health professionals.

The simulator helps facilitate the delivery of consistent simulations, enabling instructors to easily integrate simulation into their neonatal training programs.

In November 2012, members of the Fortnum Foundation board, along with principals from some of the inaugural members of The Fortnum 1000 Club – including our Education Partner, Fintuition Financial Advisers – presented a cheque for $20,000 to Dr Nick Evans, Head of Department, RPA Newborn Care.

DONATIONS ARE WELCOME
To date, the Fortnum Foundation has made donations to numerous charities:

In Australia
- Royal Flying Doctor Service, Port Lincoln
- Royal Prince Alfred Hospital
- Little Heroes Foundation
- Music Industry College
- Childhood Cancer Support, Queensland and regional New South Wales
- Western Australia Children’s Hospital
- The Alannah & Madeline Foundation
- The Royal Children’s Hospital, Victoria

Overseas
- Hands Across The Water, Thailand
- Love Mercy Foundation, Uganda
- Ride Aid, Cambodia
- Rosie O’Halloran foundations (au), Uganda

If you would like to support the Fortnum Foundation and its causes, please click here. Or email mmiles@fortnum.com.au for more information.
Just over 12 months later, Fortnum Foundation members were invited back to the RPA to meet ‘Sally Sim’, the baby simulator proudly residing in the hospital’s Neonatal Unit. The group were treated to a live training session, where a ‘true to life’ emergency was simulated, with baby Sally showing all the signs and symptoms a real baby would in an identical situation.

Following the demonstration, it gave the foundation members great pleasure to present a second cheque to RPA for $5000.

Fortnum Foundation Members presenting the $20,000 cheque to Dr Nick Evans at RPA.

Fintuition Institute representatives Warren Skinner (2nd from left) and Phillip Hines (far right) presenting the second cheque to Dr Nick Evans, Developmental Paediatrician Dr Ingrid Rieger (centre), and Neonatologist Dr Angela McGillivray.

Synapse - Medical Billing and Transcription Specialists

- Medical billing – all specialties, all billing types including telehealth
- Medical transcription – standard 24 hour turnaround, faster turnarounds on request

Call us on 1300 510 114 or visit our website today: www.synapsemmedicial.com.au

Follow us on:
Sydney is in the throes of a metamorphosis. The burgeoning small-bar phenomenon is transforming the Harbour City from a sluggish, stay-at-home caterpillar to a gloriously eccentric and character-rich social butterfly.

The Scotch Club at Shirt Bar, in the heart of the CBD, is a case in point. The brainchild of husband-and-wife team Louka and Justin Marmont and bar- and barista gun Adam Hofbauer, the Shirt Bar – as the name suggests – is a seamless combination of shirt shop (featuring family labels Ganton, Jensen and Louka & Sabina) and a serious top-shelf bar that specialises in whisky, rum and tequila.

The doors opened in April 2011 and the venue’s reputation as one of Sydney’s must-try waterholes has steadily grown. Sophisticated yet casual, the space cleverly unites the feel of a British gentlemen’s club with that of a bespoke Savile Row tailor.

CASUAL BEGINNINGS

On a regular basis, typically on a Wednesday night, this super-chic bar/shop becomes the Scotch Club, where some of the finest spirits on the planet are presented via a guided ‘tasting’ and accompanied with platters of unctuous cheese, cured meats, onion marmalade, cornichons, olives and pickled fruit.

“We named the night Scotch Club after an informal gathering of friends when I used to live in Melbourne,” Adam explains. “Each Friday afternoon from 3pm on, a group of guys would come to the flat where I lived with my friend Ben Simon, and someone would bring a nice bottle of something. We’d usually polish the bottle off while recapping the week’s events and planning the weekend ahead, before heading off to our various families for dinner.”

And so the Scotch Club was born.

“It has obviously morphed into something slightly more commercial, but I believe the essence is still there, and we have some customers who have attended almost every event,” Adam adds.

THE TASTE TEST

Having recently conducted an expedition of whisky sampling in Japan, I was intrigued when I received an invite from the Scotch Club calling for a gathering of the faithful to taste the superb offerings from Japan’s lauded Nikka Distillery, located in Hokkaido.

Born into a family of sake producers, Nikka’s Masataka Taketsuru travelled to Scotland to study the mysterious arts of distilling and blending. Along the way he turned his hand to whisky and went on to devote his career to developing Japan’s own version of this fine spirit. Crafting his country’s first whisky and founding the Nikka Distillery has earned Taketsuru the prestigious ‘Father of Japanese Whisky’ title.

My initiation to the Scotch Club was dedicated to some of Taketsuru’s fine accomplishments. Joined by my good friend, whisky aficionado Guyon Cates, I tasted some outstanding varieties produced by Nikka, including:

• ‘Taketsuru’ 10 Year Old Whisky: A special reserve, hard to come by and a real treat.
• ‘Miyagikyo’ 12 Year Old Whisky: An astonishing single malt of great body and complexity yet feminine and subtle at the same time. Aged in sherry barrels.
• Yoichi 15 Year Old Whisky: Displaying both strength and suppleness, this superb single-malt whisky is made traditionally, using small coal-fired stills that give a slightly peaty note. Matured in bourbon, sherry and new oak barrels.
• From the Barrel: Born of two single malts – Yoichi and Miyagikyo – as well as grain whisky, this exceptional blend honours simplicity and modernity.

As far as atmosphere goes, the club is an elegant mix of eccentric, quirky, supremely comfortable and relaxed, with the great vibe enhanced by good old-fashioned hospitality. The whisky was exceptional, and the accompanying fare was equally as delicious. All in all, the Shirt Bar and the Scotch Club live up to the hype, and I, for one, can’t wait for the next club meeting.

A stylish Sydney venue serves as the perfect setting for an evening of whisky appreciation, writes Steven Macarounas.
SAVING TIME

Recent changes to the NSW State Environmental Planning Policy have brought about some good news for medical practitioners, writes Mike Watson.

After two years of consultation with relevant stakeholders, the NSW Government has recently made amendments to the State Environmental Planning Policy (SEPP) Exempt and Complying Development Codes. The aim is to reduce red tape by increasing the range of developments that can be classified as Complying Development. The great news for the healthcare industry is that changes to a property, i.e. fitout, from many types of previous uses to a medical practice now will not require a time-consuming Development Application (DA), and will be Complying Development. This applies to all GP clinics, specialist practices and dental surgeries.

This dramatically reduces the time required for approvals and therefore the timeframe for whole projects.

THE OLD SYSTEM

Prior to 22 February 2014, all fitout projects for medical use required a DA, followed by a Construction Certificate. The time this took varied from council to council but averaged out at eight to 10 weeks, as the processes involved were identical to the application required to construct an entirely new building. This involved Environmental Impact Statements, notifications to neighbouring owners and, at times, additional items such as Traffic Reports.
Heritage Consultant. Also require a report from a certified professional with a heritage-listed component will be covered by a CDC. Heritage-listed buildings or buildings with a change of use from residential will require a DA but is now covered by a CDC. And additions and alterations to the rear of existing commercial premises will be covered by the new regulations if the previous use was:

- Business Premises
- Office Premises
- Shop
- Food and Drink Premises
- Kiosk
- Medical Centre
- Veterinary Hospital
- Bulky Goods
- Landscaping Supplies
- Hardware and Building Supplies
- Vehicle Sales or Hire
- Garden Centre
- Plant Nursery
- Rural Supplies
- Warehouse or Distribution Centre

Note: You will also be covered if your business is the first use for the site. Previously, external signage also required a DA but is now covered by a CDC. As usual there are some terms and conditions, but in general if you are setting up a new practice or relocating your existing one and there are no major changes intended for the exterior of the building, then you will be covered by the new regulations if the previous use was:

1. Change of use from residential.
2. Heritage-listed buildings.

1. Change of use from residential.

2. Heritage-listed buildings.

Both of these situations will still need a DA. Heritage-listed buildings or buildings with a heritage-listed component will also require a report from a certified Heritage Consultant.

RULES & REGULATIONS

As usual there are some terms and conditions, but in general if you are setting up a new practice or relocating your existing one and there are no major changes intended for the exterior of the building, then you will be covered by the new regulations if the previous use was:

- Business Premises
- Office Premises
- Shop
- Food and Drink Premises
- Kiosk
- Medical Centre
- Veterinary Hospital
- Bulky Goods
- Landscaping Supplies
- Hardware and Building Supplies
- Vehicle Sales or Hire
- Garden Centre
- Plant Nursery
- Rural Supplies
- Warehouse or Distribution Centre

Note: You will also be covered if your business is the first use for the site. Previously, external signage also required a DA but is now covered by a CDC. And additions and alterations to the rear of existing commercial premises will be covered by the new regulations if the previous use was:

1. Change of use from residential.
2. Heritage-listed buildings.

1. Change of use from residential.

2. Heritage-listed buildings.

Both of these situations will still need a DA. Heritage-listed buildings or buildings with a heritage-listed component will also require a report from a certified Heritage Consultant.

WORTH YOUR CONSIDERATION

It’s worth keeping in mind that shopping centres are a desirable location for many medical practices. The landlords welcome the stability of a long lease, a reliable tenant and the increase in footfall that it brings. The medical practice benefits from the large and regular passing trade.

Shopping centres employ Retail Design Managers to vet the designs of incoming tenants. This is another step in the approvals process that needs to take place prior to the CDC application.

Remember, there are no shortcuts to the approvals process. The quickest way is to get your application approved the first time and the easiest way to achieve this is to employ professionals to look after the application on your behalf. It may cost a little more, but the cost will be nothing compared the expense of a late opening!

There is a profusion of credit cards on the market, so why does the Investec Signature card stand out in the crowd?

You earn more Qantas Points® on eligible spend – 1 point for every $1 of eligible spend in Australia and 2 Qantas Points for every $1 of eligible international spend on the Investec Signature card. See definition of Eligible Spend in the Investec Qantas Rewards Program Terms and Conditions, available at investec.com.au/cards. Investec recommends that you seek independent tax advice in respect of the tax consequences (including fringe benefits tax, and goods and services tax and income tax) arising from the use of this product or from participating in the Qantas Frequent Flyer program or from using any of the rewards or other available program facilities.

There are two major exclusions to these changes that we should point out, as they do crop up occasionally:

1. Change of use from residential.
2. Heritage-listed buildings.

Both of these situations will still need a DA. Heritage-listed buildings or buildings with a heritage-listed component will also require a report from a certified Heritage Consultant.

Exclusive. Affordable.

Rules were made to be broken

There is a profusion of credit cards on the market, so why does the Investec Signature card stand out in the crowd?

You earn more Qantas Points® on eligible spend – 1 point for every $1 of eligible spend in Australia and 2 Qantas Points for every $1 of eligible international spend on the Investec Signature card. See definition of Eligible Spend in the Investec Qantas Rewards Program Terms and Conditions, available at investec.com.au/cards. Investec recommends that you seek independent tax advice in respect of the tax consequences (including fringe benefits tax, and goods and services tax and income tax) arising from the use of this product or from participating in the Qantas Frequent Flyer program or from using any of the rewards or other available program facilities.

There is a profusion of credit cards on the market, so why does the Investec Signature card stand out in the crowd?

You earn more Qantas Points® on eligible spend – 1 point for every $1 of eligible spend in Australia and 2 Qantas Points for every $1 of eligible international spend on the Investec Signature card. See definition of Eligible Spend in the Investec Qantas Rewards Program Terms and Conditions, available at investec.com.au/cards. Investec recommends that you seek independent tax advice in respect of the tax consequences (including fringe benefits tax, and goods and services tax and income tax) arising from the use of this product or from participating in the Qantas Frequent Flyer program or from using any of the rewards or other available program facilities.

There is a profusion of credit cards on the market, so why does the Investec Signature card stand out in the crowd?

You earn more Qantas Points® on eligible spend – 1 point for every $1 of eligible spend in Australia and 2 Qantas Points for every $1 of eligible international spend on the Investec Signature card. See definition of Eligible Spend in the Investec Qantas Rewards Program Terms and Conditions, available at investec.com.au/cards. Investec recommends that you seek independent tax advice in respect of the tax consequences (including fringe benefits tax, and goods and services tax and income tax) arising from the use of this product or from participating in the Qantas Frequent Flyer program or from using any of the rewards or other available program facilities.

There is a profusion of credit cards on the market, so why does the Investec Signature card stand out in the crowd?

You earn more Qantas Points® on eligible spend – 1 point for every $1 of eligible spend in Australia and 2 Qantas Points for every $1 of eligible international spend on the Investec Signature card. See definition of Eligible Spend in the Investec Qantas Rewards Program Terms and Conditions, available at investec.com.au/cards. Investec recommends that you seek independent tax advice in respect of the tax consequences (including fringe benefits tax, and goods and services tax and income tax) arising from the use of this product or from participating in the Qantas Frequent Flyer program or from using any of the rewards or other available program facilities.
HEALTHY OUTCOMES

If you are seeking investment property success, Neil Smoli says taking a diagnostic approach will help to bring positive results.

Research is of the utmost importance in any field, be it medicine, business, education or otherwise. It informs an entire approach, mitigates risk and is the basis for the delivery of the optimum outcome. This is also the case when it comes to investing in residential property. Every investor, post purchase, will tell you they did their research and, consequently, their due diligence. Yet most property investors fail. Despite the reputation of residential property as being a low-risk investment class capable of delivering strong and reliable returns, the majority of investors get it wrong.

In reality, most investors do research a property prior to purchase. The question is whether the research they are doing is the right research.

It’s about knowing what to look for, understanding the factors that influence a property’s chance of success and how these factors will influence an investment property over the long term. After all, property is ideally a long-term investment. This research takes time, and time-poor professionals may find it impossible. This isn’t a slight; it’s a fact. Let’s take a look at some of the factors property investors should be researching to get an idea of just how substantial the due-diligence process should be.

THE RIGHT RESEARCH

There is a broad range of factors that can shape the success – or otherwise – of any given investment property. These range from the macro level, encompassing the broader economic situation, down to the property-market level and further to the micro level, such as those factors specific to the property itself.

All of these factors must be considered if an investor is to be able to truly claim they have done the right research. But it goes further still. Considering these influences is one thing, but how do you evaluate them? How do you ascertain the likely impact of, say, negative white-collar employment growth in a particular suburb when the level of infrastructure spend in that same suburb seems positive?

Acknowledging what they don’t know is something most investors fail to heed, and this is the main reason so many don’t realise their goals. Engaging an investment-property expert, one that doesn’t charge the investor but instead prioritises their safety and security, is the best risk-mitigation strategy.

We will discuss different fee structures later, but suffice it to say that groups intent on charging the investor a fee from the outset are not operating in the investor’s best interests.
So, how does the macro picture determine investment-property success? What types of factors do investors need to weigh up?

Broadly speaking, residential property as an asset class benefits from its relative security compared to other asset classes such as shares, new business ventures and other investment schemes. The ability to recognise and understand the property market cycle is, of course, critical. This cycle is inevitably influenced by the state of the broader macroeconomic environment, both at a national and international level.

**ASSESSING ALL ASPECTS**

At Aviate Group, we consider factors such as interest-rate trends, employment-market statistics, demographic shifts, existing and proposed legislation, changes to taxation and global economic scenarios with the capacity to influence the domestic market, among many others. There are many elements to consider when it comes to painting an accurate picture of the macroeconomic environment, both at a national and international level.

Factors such as housing grants, building bonuses and other incentive programs are generally administered at a state-government level. These programs change regularly and can have significant ramifications for property investors and the various markets operating within the state.

State budgets, infrastructure spending and other social expenditure can all affect the capacity for an investment property to attract quality tenants now and in the future, while growing in value over the long term.

Even if the investor has cast a net globally, considered the national perspective and focused on the state-based impacts on investment property for a proper and comprehensive analysis, the task is not yet complete.

The fundamentals of the market related to the specific city in which the investment-property opportunity is located must also be considered. Every capital city around the country has its own drivers, nuances, strengths and weaknesses.

In Sydney, the main motorways serve some areas better than others. In Perth, some markets are predominantly populated by people employed in the resources sector. New projects in and around the Brisbane CBD have the potential to alter the prevailing tenant demographic. Some areas in Melbourne are moving to oversupply, but standout pockets still exist.

Then there is the apartment site itself. Which apartments in a development are best positioned, in terms of aspect or natural light? Are apartments on the top floor a better investment than those directly above a garage entry point? Why?

It’s one thing to ask these questions – and there are many, many more that investors need to consider – but it’s another to understand exactly what impacts the answers might have on an investment property’s success. Understanding and evaluating these factors and then identifying and securing an investment property that satisfies the various criteria is not a simple task, especially for the time-poor professional whose expertise lies in another field entirely.

This is why it’s so crucial for investors to engage a company that specialises in investment property and has the track record to demonstrate the success and security of its approach.

**DIAGNOSING HENRY**

‘Henry’ – High Earners Not Rich Yet – is a term used to describe a particular type of professional and is being increasingly referenced in investment circles. It’s a term that aptly describes many professionals in the medical field, as well as other high earners in the various professional industries.

For the time-poor professional, salary is typically not a source of concern. But a salary, however substantial, is not the same as wealth creation. To equate earning bank interest with investing is as futile as walking to the corner store to train for a marathon.

It’s therefore worth asking if you fit this mould. Have you invested before? Why or why not? Do you have investments that are putting money into your bank account without you having to work at them? At this point it’s prudent to consider the true meaning of financial freedom. Its when your passive secondary source of income outstrips your primary source of income. Put simply, financial freedom is a state most investors seek – yet only a few reach – whereby the investments they have made have the capacity to provide the income they require without the investor having to work at them any longer.

Obviously it’s a long-term process. Indeed, the timeline investors typically place on achieving financial freedom is for their retirement. For an investment portfolio to be able to deliver and sustain this level of return, the investments therein must be carefully researched to perform well into the future.

An emphasis on security is essential, and there must be a willingness on the part of the investor to maintain a long-term vision, even at the expense of some short-term budget limitations.

**GETTING STARTED**

It’s important to note that financial freedom is not solely the domain of those on high incomes. It is perhaps even more important for those on average salaries to work towards this goal.

So, how does one get started? How does Henry become successful investors who reach the ultimate goal of financial freedom?

The simple answer is to start investing. More difficult is to do it right the first time.

In the same way you might refer a patient to a practitioner specialising in another field, the best investors know where their strengths and weaknesses lie and, in the case of the latter, they engage expert help.

No two investors are the same, so a one-size-fits-all approach is useless. In the case of property, it’s important to understand the investor’s motivation, along with their current situation, capacity to meet repayments, end goals and objectives along the way.

Once this profiling is complete, a strategy based on the secure, and perhaps staggered, acquisition of the right type of investment properties can be developed. There are techniques that can support investors as they pursue their financial goals, including maximising the use of existing equity, unlocking depreciation and tax benefits, negative gearing, undertaking regular valuations and other financial instruments.

If you recognise the Henry traits in yourself and wish to leave the tag behind, and you presumably don’t have the time or specialist expertise in the investment property field, how do you set a property investment company to partner with? After all, there are plenty of spruikers out there. Well, the best property partner is an essential part of an investor’s research.

**WISE PARTNERING**

I should declare a vested interest here. For more than 12 years, Aviate Group has worked with a range of investors – from mum and dads on average salaries and young people just starting out to long-term career professionals looking to sure up their pending retirement.

During this time we’ve seen different groups come and go, and different models built and unavowed, and there are some consistent themes that can be drawn.

First and foremost, people invest in property because it is deemed low-risk. It therefore makes sense to partner with a company that prioritises the investor’s security above all else.

There is, of course, a place for high-risk/high-return investments, but generally speaking this is not property’s place in a portfolio.

When it comes to investing in property, security covers many different areas. For instance, investors should partner with companies that insist on obtaining a property valuation from a panel valuer at one of the major banks. An investor should never rely on the word of a developer or agent when it comes to how much a property is worth.

By extension, any investment-property company that doesn’t insist on obtaining a valuation prior to purchase should raise the eyebrows of investors.

A valuation from a recognised valuer ensures the investor pays a
Understanding how a property-investment company is remunerated is a question all investors should ask. If a company doesn’t disclose its model upfront, alarm bells should be sounding.

This way, the company is not swayed or manipulated to present a property or a development to an investor because it is offered at a higher commission rate. Instead, when a higher commission rate is offered, the additional amount above the stated rate should be rebated back to the investor at settlement.

Aviate’s secure-investment property service is specifically geared towards time-poor professionals. Our approach is diagnostic, as we undertake extensive investor profiling to understand why certain Henrys are not in the financial position they would like to be in. Then we set about creating a strategy using secure investment property to help them get there. Call it holistic financial health, if you like.
At the start of this year Shangri-La Hotels and Resorts announced that its luxurious new offering – Shangri-La Hotel, At The Shard – will open in London on 6 May. Set on the historic South Bank of the River Thames, this outstanding hotel is located within the 306-metre-high Shard – the glass-clad spiral masterpiece designed by Renzo Piano.

As the tallest hotel in Western Europe and the first high-rise hotel in London, the Shangri-La occupies levels 34 to 52 of the 72-storey Shard. Its contemporary interior design complements Piano’s masterful architecture and the breathtaking views – unmatched by any other hotel in London – unfold in all directions to reveal iconic landmarks such as St Paul’s Cathedral, Tower Bridge and the Houses of Parliament.

“The Shard is a landmark synonymous with London and we hope to encourage visitors to our hotel and the surrounding area,” says Greg Dogan, Shangri-La President and Chief Executive Officer. “We are truly excited to be an integral part of the ongoing development of the South Bank community and the borough of Southwark.”

DESIGNER DETAILS

Every detail of the hotel environment has been taken into consideration – from the extensive collection of original artworks on display to the spectacular grand staircase sweeping across double-length, floor-to-ceiling windows, linking levels 34 and 35 within the hotel’s sky lobby.

Guests will be escorted in a high-speed elevator from the hotel’s dedicated entrance on St Thomas Street to the sky lobby on level 35. Subtle Asian touches in the lobby and lobby lounge reflect Shangri-La’s heritage, while modern and classic art with pieces from a mix of acclaimed Asian and British artists are showcased throughout public areas.

ROOM TO MOVE

The hotel’s 202 guestrooms and suites will open from levels 36 to 50 and are among the largest in London. Because of The Shard’s spiral shape, each of the spacious guestrooms and suites is individual in layout and design. All feature floor-to-ceiling windows and unrivalled views across the city, marble-clad bathrooms with heated floors, separate bathtubs, Acqua di Parma amenities and mirrors with integrated television screens. Over a third of these bathrooms have city views.

Deluxe, Premier and Grand Premier guestrooms and suites offer northerly views towards the City and London’s most famous landmarks. Superior guestrooms and suites feature far-reaching vistas over the vibrant areas of the south and toward the historic counties of Kent, Surrey and Sussex.

NEW PERSPECTIVE

Some of the hotel’s most stunning views are from its three signature suites, which will be unveiled in September. Each suite looks across to St Paul’s Cathedral, Tower Bridge and down river toward the O2 Arena.

The jewel in the crown is the Shangri-La Suite, situated on level 39 and providing 180-degree views of London. From the Palace of Westminster and Big Ben to the Tower of London, the view encompasses the River Thames with the Canary Wharf, Tate Modern, Shakespeare’s Globe Theatre and Maritime Greenwich dotted along the meandering waterway.

Room reservations at Shangri-La Hotel, At The Shard are now open. For bookings and more information, email reservations.slin@shangri-la.com or visit www.shangri-la.com/london.
VALUE ADDED

In response to strong growth in the two-bedroom apartment market, Lend Lease is offering an upgrade up to $10,000 with the purchase of two-bedroom apartments in The Green, set within Brisbane Showgrounds.

According to the Urbis Inner Brisbane 2 Bedroom Apartment Highlights Report (February 2014), two-bedroom apartments have shown strong growth in trajectory sales volumes, now becoming Brisbane’s highest-selling apartment type. Domestic and international demand is driving sales, with a 219% increase in two-bedroom sales in Brisbane since September 2012.

Two-bedroom configurations at The Green range in size from 76 to 110 square metres and are priced from $510,000. The premium upgrade package includes reverse-cycle air-conditioning to second bedroom, a premium windows and blinds package, premium joinery in all bathrooms and a Blanco ceramic touch-control electric cooktop and Blanco stainless-steel, self-cleaning catalytic oven.

THE GREEN UPGRADE

Lend Lease Managing Director – Apartments, Matthew Wallace, says the packages provide extra value to increase resale or rental prospects of the popular two-bedroom product.

“As stated in the Urbis report, buyers have a great opportunity to buy into a unique and highly desirable urban location, with Brisbane providing more affordable price points and a superior yield to Sydney and Melbourne,” he explains. “Apartment sales have grown to represent 38% of all Brisbane property transactions, commanding more attention than ever before – driven in part by the affordability of living in Brisbane.”

Thinking of investing in Brisbane property? Right now is the time to take advantage of a premium upgrade package from Lend Lease.
The challenge facing Gen Y and their demand for inner-city living.

With almost 300 apartments already sold at The Green, Matthew says interest from a mix of both owner-occupiers and investors still remains strong.

The Green, the first residential project within the Brisbane Showgrounds urban-redevelopment precinct, includes 356 boutique apartments within five buildings that encircle a floating, podium-style botanical garden that is 3000 square metres in size. It will become part of the transformation of a vibrant new destination where 15,000 people will live, work and play.

This new inner-city hub adjoins the Fortitude Valley entertainment precinct and is located just 1.6 kilometres from the Brisbane CBD.

The Sales and Information Centre is open daily at 492 St Pauls Terrace in Bowen Hills, Brisbane. To find out more, call 1800 448 757 or visit www.thegreenupgrade.com.au.

FUTURE FANTASTIC
The Urbis Inner Brisbane 2 Bedroom Apartment Highlights Report provides analysis on the historic further trends set to shape two-bedroom apartments. See over for some of the discoveries made by the report.
Within Brisbane’s evolving residential landscape, apartments are commanding more attention than ever before. This research report provides analysis on the historic movements and future trends that are set to shape two-bedroom apartments, Brisbane’s highest selling apartment type.

### GROWING BRISBANE

#### BRISBANE’S VISION

In 2031, Brisbane is regarded as a top ten lifestyle city and global hub for resource and related service industry businesses. Its high performing economy is known for its strong business and cultural links with Asia.

#### POPULATION GROWTH

161,000 NEW RESIDENTS BY 2031

Demographic shifts are important factors driving changing demand within Brisbane’s residential property market.

#### INTERNATIONAL

Overtaken interstate migration as dominant force behind population growth.

#### PROPORTION OF TOTAL SALES THAT WERE APARTMENTS P.A. - BRISBANE LGA

- GEN Y: 33%
- BABY BOOMERS: 20%

#### INCREASING APARTMENT DEMAND... WHY?

- HIGH HOUSE PRICES
- LOW LAND AVAILABILITY
- SHIFTING DEMOGRAPHICS

### NEW APARTMENTS

#### INCREASING DEMAND FOR NEW APARTMENTS*

- SALES: 7,649
- SALES MORE THAN 3QTR 2013: 1,439

#### INCREASING DEMAND FOR TWO BED APARTMENTS

- 123 SALES IN 3QTR 2013
- 140 SALES IN 2QTR 2013
- 263 SALES IN 1QTR 2013
- 282 SALES IN 4QTR 2012
- 393 SALES IN 3QTR 2012

#### PROPORTION OF TWO BED APARTMENTS OF ALL TRANSACTIONS BY QTR

- SEP QTR 2013: 31%
- DEC QTR 2013: 36%
- MAR QTR 2013: 45%
- JUN QTR 2013: 46%
- SEP QTR 2012: 51%

#### TWO BED APARTMENT SALES VOLUME BY QTR

- SEP QTR 2013:
- DEC QTR 2013:
- MAR QTR 2013:
- JUN QTR 2013:
- SEP QTR 2012:

#### APARTMENT DEMAND

- 63% OF OCCUPIED APARTMENTS ARE ![Graph showing occupancy rates.]
- 2013: 10.16%
- 2014: 10.26%
- 2015: 10.39%
- 2016: 10.57%
- 2017: 10.75%

#### PURCHASER PROFILES

- INTERNATIONALS: 34%
- GEN Y: 20%
- BABY BOOMERS: 11%

#### BABY BOOMERS

- 63% of the population are Baby Boomers.
- They are asset rich and largely benefiting from full-time employment, with some considering downsizing from the family home.
- This demographic also represents a significant proportion of apartment investors in Brisbane.

#### TWO BEDROOM APARTMENTS

- 219% INCREASE IN SALES SINCE SEP 2012
- 31% INCREASE SINCE DEC 2012
- 36% INCREASE SINCE MAR 2013
- 45% INCREASE SINCE JUN 2013
- 46% INCREASE SINCE SEP 2012
- 51% INCREASE SINCE SEP 2012

### THE OUTLOOK - BRISBANE LGA

#### CURRENT SNAPSHOT

- Investment conditions have continued to improve going into 2014, with a stabilising global economy, a low interest rate environment and improving consumer and business confidence. Both sales activity and median price growth are forecast to improve throughout 2014 for housing and apartments.

#### ECONOMIC FUNDAMENTALS

- Historic population growth has put pressure on dwelling supply within the Brisbane LGA. The limitations of future urban sprawl has lead to rising house prices and a greater emphasis on infill development further diminishing the number of single detached dwellings.

#### DWELLING SUPPLY

- Employment and infrastructure are a few of the main drivers that are energising the growing demand for inner city living. Brisbane’s highest selling apartment market.

#### INNER CITY DEMAND

- In recent years, the majority of off-the-plan apartment demand has been generated by local, interstate and international investors, spurred on by attractive rental yields.

#### APARTMENT DEMAND

- Apartment sales have grown to represent 38% of all property transactions, commanding more attention than ever before. This has been driven in part by the affordability challenge facing Gen Y and their demand for inner city living.

#### PURCHASER PROFILES

- Gen Y are making their presence felt within Brisbane’s apartment market, with a strong preference for inner city living and a growing proportion moving from the family home into rental accommodation.

#### INTERNATIONALS

- Internationals are leading Brisbane’s population growth and are creating strong demand for rental apartments in inner city locations. In 2013, more than 75,553 international student enrolments were recorded for Brisbane, generating $5.1 billion annually for the city’s property market.

#### CURRENT OUTLOOK

- International migration will be one of the most important drivers for the Brisbane economy, promoting not only residential demand in both the owner occupier and rental markets, but also through new business ventures and cultural diversity.

#### FUTURE OUTLOOK

- As Baby Boomers start to transition from full-time employment, lifestyle and family time will begin to overtake priorities. Downsizing to low maintenance, larger apartments will become more popular in well planned communities that offer walkability, green space, proximity to amenities and transport.

#### DEMOGRAPHIC TRENDS

- Two bedroom apartments have shown a strong growth trajectory in sales volumes, now becoming Brisbane’s highest selling apartment type. Domestic and international investment demand is driving sales, with Brisbane providing more affordable price points and a superior rental yield to Sydney and Melbourne.

The most significant factor contributing to the growth in apartment demand is the affordability challenge facing Gen Y and their demand for inner city living. This is set to continue well into the future, as inner city living remains a competitive advantage in the rental market place with the Brisbane apartment market, competing in the same market as investor purchasers and leading to greater market activity.

- Inner city to expand beyond its traditional layout, development and infrastructure will increasingly be forced to a wider radius from the CBD, creating urban villages through well located master plans.

- Apartments are projected to represent the majority of residential sales by 2031 based on current trends, with the Brisbane dwelling structure breakdown to closely resemble Sydney’s apartment market.

- Given démographic trends and rising house prices, it is expected that owner occupiers will increasingly enter the Brisbane apartment market, competing in the same market as investor purchasers and leading to greater market activity.

- Being the largest generation in Brisbane’s history, Gen Y will form a major driver for larger inner city apartments as they begin to form couple households, advance in their earning potential and play a bigger role as apartment renters and purchasers.

- International migration will be one of the most important drivers for the Brisbane economy, promoting not only residential demand in both the owner occupier and rental markets, but also through new business ventures and cultural diversity.

- As Baby Boomers start to transition from full-time employment, lifestyle and family time will begin to overtake priorities. Downsizing to low maintenance, larger apartments will become more popular in well planned communities that offer walkability, green space, proximity to amenities and transport.

- Demographic trends and the affordability challenge point to a growing demand for two bedroom apartments in Inner Brisbane. Over the longer term, an ability to deliver a competitive advantage in the rental market place will become more important, giving well sized apartments in key locations a valuable market position.
MAKING CONNECTIONS

Engagement may be the current buzzword in the medical industry, but as Dr Dike Drummond reveals, it can often only be achieved by placing yourself in the shoes of others.

We have already entered healthcare’s ‘Age of Engagement’, however there are missing links between patient and physician engagement. In clearing up the blind spot, you will immediately upgrade your effectiveness as a clinician and physician leader.

By definition, engagement means: ‘The full and enthusiastic participation in a course of action’. All organisations are working to bring their staff, physicians and patients into a position of full engagement with their jobs and their healthcare. The first thing to acknowledge is that enthusiastic participation cannot be ordered, mandated, forced or simply expected.

Next you must understand that most engagement efforts fail because the crucial step of enrolment has been overlooked. Learning the skill of enrolment will bring everyone onto the same page and make your job as a clinician and leader so much easier.

Put simply, enrolment is the act of saying ‘Yes’ to the benefits your program will provide, whether it is a treatment plan for a patient or a new corporate initiative for your staff and providers.

People must be enrolled, bought in and ‘sold’ on what you want them to do before they will become engaged in the steps of your plan. Based on the timeless principle of human behaviour, it must be their decision to engage.

WHAT’S IN IT FOR ME?
The fundamental error 98% of leaders and physicians make when trying to create engagement is that they completely fail to enrol the person first. They wade in, giving orders left and right, expecting patients and staff to simply fall into formation and do exactly what they are told. When people don’t comply, they wonder what is wrong and why they are not more engaged.

Remember, if your people are not engaged it is because you failed to enrol them first. Enrolment helps your patients and staff to complete the following two critical steps:

1. Understand why they would participate. Don’t just blurt out what you want them to do, as if you are giving orders. Even worse, do not say something like, ‘You need to be more engaged here!’ If they don’t have a chance to consider ‘What’s in it for me?’ (WIIFM), you are simply giving orders that they can either comply with or ignore, becoming resentful in the process.

2. Make a choice to engage in your program. Remember that engagement is a choice. When I understand what’s in it for me to participate in a program, I can choose to engage or not. It is my choice. If you order me instead of helping me choose, you just shattered your chance of engaging me.

The number-one skill to deploy when it comes to enrolment is empathy. If you want your program to succeed in engaging your target audience – whether that be patients, staff or physicians – you must exercise your empathy muscles.

You must put yourself in their shoes and figure out exactly why they would want to engage in your program. Answer the question ‘What’s in it for me?’ from their perspective.

Look at how will they benefit by participating and identify these benefits to them – list them, explain them and sell them.

When they see the benefits and can clearly identify WIIFM, only then can they make a decision to participate and engage in your program.

POWER TIPS
You can identify the benefits of your program in two ways:

1. By putting yourself in the shoes of your target audience and trying to figure things out on your own. This is what most people do and it is only partially effective.

2. By asking the people you are targeting what the benefits of your program might be and allowing them to help you design the enrolment process.

Simply explain your program to a small group of the people you want to engage and have them tell you how that would benefit them. You can even ask questions about how they would recommend you might improve your program, then you can use these benefits and WIIFM to enrol your target audience.

LEADING BY EXAMPLE
Patient Enrolment
Let’s say we are talking about a patient. You are enrolling them in their own treatment program, so you do the following:

1. Explain their disease and its course and complications.

2. Explain your treatment plan and how it affects the symptoms and course of the disease.

3. Ask your patient how this plan would benefit them personally.

Once they have identified how they would benefit, they will have enrolled themselves in following the plan. Then you simply ask them if they are ready to get started.

Sample Dialogue
Doctor: Mrs Smith, you have high blood pressure. I would recommend we begin to treat with medication and some other steps that should bring it back under control. The benefits of bringing your blood pressure down to normal are protecting you against heart attack and stroke, and potentially helping you live a longer happier life. As you think about this, what benefit do you feel this would be to you?

Patient: Well, Dr Drummond, I sure don’t want to have a stroke. It would give me more time with my grandchildren and I still have some travelling to do!

Doctor: It sounds like you have some very good reasons to treat your blood pressure. It will be important to remember these reasons as you begin...
to take the steps to bring your blood pressure down. So, are you ready to get started?

**Patient:** Yes I am. What are the steps?

In this case, Mrs Smith is enrolled first. She knows WIIFM from both a medical and personal perspective. She has chosen to engage in the treatment plan before we even outlined the components.

**Physician Enrolment**

Let’s say you are designing a quality metrics program for your physicians. You are proposing that your providers track a specific set of metrics for all patients. The benefits you have identified are increased care quality and bonus payments from insurers when physicians reach certain quality thresholds.

This is the best way to proceed:

1. Don’t make the mistake of mandating the program without first enrolling your physicians. If you do this, you will meet resistance and create a wave of bad blood that will hamper your change efforts for years to come.
2. You must answer the question WIIFM as a physician to participate. You know increased quality and higher incomes are a place to start. Over communicate these two points and ask questions, too. Here’s how it might play out when you talk with a couple of your physicians prior to rolling out the program.

**Sample Dialogue**

**You:** We are proposing our new Quality Metrics Program to help us improve quality and be eligible for bonus payments from select insurers when we reach their milestones. What other benefits can you see to yourself and the rest of our providers from this program?

**Doctor A:** We could prevent people from falling through the cracks on preventive care. But just remember that we can’t be asking the doctors to be responsible for documenting all of this – they are overloaded as it is.

**You:** We think there is a way to coordinate nursing and medical records to do all the tracking.

**Doctor A:** That might mean the doctors’ jobs get easier as they are not trying to remember the guidelines and searching for the information in the chart all the time.

**You:** So that makes the benefits higher quality, more income, making sure patients don’t fall through the cracks and not having to work any harder to achieve these benefits.

**Doctor A:** I guess you are right. That makes it feel pretty worthwhile to get started. When can we look at the details of the action plan?

In this instance your physicians have helped you to identify the additional benefits of participating in this new program. You are building physician engagement from the ground up and they are helping you design a more effective enrolment process.

Remember, if you want engagement, you must start with enrolment.

Engagement cannot be ordered, mandated, forced or simply expected – patient and physician enrolment must happen first. Enrolment is the act of saying ‘Yes’ to the benefits your program will provide, whether it is a treatment plan for a patient or a new corporate initiative for your staff and providers.

In planning for enrolment, get very clear about the WIIFM points and clearly communicate them. Give your people a chance to choose to engage first by asking questions that allow them to help you design the enrolment process.

When you can clearly see this missing step to engagement, you can take the steps to create the enrolment you seek.