



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

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2017 ANNUAL

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REPORT

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*Through our MEMBERS*  
*WE STAND with*  
*AUSTRALIANS*  
*for a BETTER*  
*financial FUTURE*

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*The past year has seen even more changes for the financial planning profession. The outcomes that we've been championing for our profession are now in motion and set to be delivered.*

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The lifting of professional and education standards, and the promise of enshrinement of 'financial planner' and 'financial adviser' are great results. The future is bright, one where every one of your colleagues will now stand alongside you as qualified professionals. Each of us held accountable to the standards that FPA membership requires, and has advocated for, across the profession.

The standards that our profession are held to are vital to ensuring that consumers know they can trust a financial planner to help them. These changes ensure that each of us in the financial planning community will continue to make a meaningful, positive difference in the lives of our clients.

The FPA is proudly part of a global community of 170,000 strong CFP® professionals. Our partnership with the Financial Planning Standards Board (FPSB) enables the FPA to deliver the CERTIFIED FINANCIAL PLANNER® certification in Australia – the most desired and respected global certification in financial planning. I would like to congratulate and welcome the 213 FPA members who completed the CFP Certification Program and obtained their CFP designation this year.

Over the course of this year, the FPA has set its sights on the looming shortage of financial planners, as our colleagues begin to retire and depart the profession and entry becomes more difficult. We have been actively working to promote a career in financial planning and the

many opportunities it presents, and we have continued to build our relationships and interactions with universities across Australia.

We are also seeking to educate and empower young Australians in the areas of financial literacy and capability. Looking ahead, we have a target of reaching 500 schools with programs to do this. We look forward to involving many FPA members in this, as we know you share our passion for assisting young Australians to improve their understanding of and confidence with financial matters.

The strategic priorities of the FPA and the profession-wide changes that stand before us are set to transform the direction of our profession and provide a clear future for financial planning. More importantly, these changes further support the right outcomes for consumers and will help to build trust and a better financial future for all Australians.

The FPA Board, our CEO, the leadership team and our members continue to be at the forefront of driving positive change for our profession. I'm proud to be on this journey with you and thank you for your commitment.



**Neil Kendall CFP®**  
FPA CHAIR

“

*The strategic priorities of the FPA and the profession-wide changes that stand before us are set to transform the direction of our profession and provide a clear future for financial planning.*”

**Neil Kendall CFP®**  
FPA Chair



*The leadership of our past Presidents, Chairs and prominent members has been the foundation upon which the FPA has been built. The FPA acknowledges the dedication shown by these leaders in our profession.*

## FPA CHAIRS

Neil Kendall CFP®	2014 – present
Matthew Rowe CFP®	2010 – 2014
Julie Berry CFP®	2007 – 2010
Corinna Dieters	2005 – 2007
Kathryn Greiner	2004 – 2005
Steven Helmich	2002 – 2004
John Godfrey	2002
John Hewison CFP®	2001 – 2002
Raymond Griffin	2000 – 2001
Wes McMaster CFP®	1997 – 2000
Ted Thacker	1996 – 1997
Tony Beal	1995 – 1996
Russell McKimm	1994 – 1995

## FPA PRESIDENTS

Paul Clitheroe CFP®	1993 – 1994
Bernie Walshe CFP®	1992 – 1993
Greg Devine CFP®	1991 – 1992

## FPA CEOS

Dante De Gori CFP®	2016 – present
Mark Rantall CFP®	2010 – 2016
Jo-Anne Bloch	2006 – 2010
Kerrie Kelly	2004 – 2006
Ken Breakspear	2000 – 2003
Michael McKenna	1998 – 1999
David Butcher	1996 – 1997
Jock Rankin	1994 – 1995
Martin Kerr	1992 – 1994

## FPA LIFE MEMBERS

Dominic Alafaci CFP®
Julie Berry CFP®
Corinna Dieters
James Doogue
Gweneth Fletcher
John Godfrey
Raymond Griffin
Steven Helmich
Ian Heraud CFP®
John Hewison CFP®
Malcolm McNeil
Mark Rantall CFP®
Matthew Rowe CFP®
Bernie Walshe CFP®

## FPA FELLOWS

Dominic Alafaci CFP®	Rodney Lavin CFP®
Scott Alman CFP®	Paul Lawrence
Rick Arnheim CFP®	Wayne Leggett CFP®
Kevin Bailey CFP®	Stefan Lipkiewicz AFP®
Julie Berry CFP®	Gary Lucas CFP®
Glen Boath CFP®	William Mackay CFP®
Max Bourne CFP®	Tim Marshall
Paul Brady CFP®	Philip Mason-Cox CFP®
Nick Bruining CFP®	Wes McMaster CFP®
Salvatore (Sam) Calarco CFP®	Ian Mein CFP®
Geoff Catt CFP®	Craig Meldrum AFP®
Ian Chester-Master CFP®	Laura Menschik CFP®
Bruce Christie CFP®	Wayne Moriarty CFP®
Greg Cook CFP®	Delma Newton CFP®
Chris Craggs CFP®	Peter Nonnenmacher CFP®
Sue Dahn CFP®	Peter O'Toole CFP®
John D'Alessandri CFP®	Suren Pather CFP®
Christine Davie	Kyle Pearson CFP®
Robert de Lepervanche CFP®	Rob Pyne CFP®
Lou Delfos AFP®	Ian Redpath
Corinna Dieters	Peter Roan CFP®
Max Dixon	David Rosenberg CFP®
Malcolm Dobson AFP®	David Rowlands
Tim Donohue CFP®	Nigel Sands CFP®
Ken Drummond CFP®	Colin Scully
Peter Dunn	Rod Scurrah
Philip Eley CFP®	Mark Spiers CFP®
George Flack CFP®	Anthony Stedman CFP®
Geoff Fry	Nigel Stewart AFP®
Trevor Gibson	Dean Stokes CFP®
Peter Gilkison CFP®	Randall Stout CFP®
Tony Gillett CFP®	Chris Taylor
David Haintz CFP®	Stephen Wait CFP®
Benjamin Hancock CFP®	Lyn Walker CFP®
Ian Heraud CFP®	Owen Weeks CFP®
John Hewison CFP®	Timothy George White
Paul Hocking CFP®	Simon Wu CFP®
Ron Issko	
Geoff Jakeman	
John Jefferies CFP®	
Gary Jones AFP®	
Terry Kays CFP®	
Neil Kendall CFP®	
Denis Kennedy CFP®	
Peter Lake CFP®	
Louise Lakomy CFP®	

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## DISTINGUISHED SERVICE AWARDS

### 2017

Petra Churcher AFP®  
Anne Graham CFP®  
Robert (Bob) Currie CFP®  
Brian Quarrell CFP®

### 2016

Jayson Forrest CFP®  
James Brescia CFP®  
Julie Matheson CFP®  
Vicky Ampoulos  
John Jefferies CFP®  
Bruce Foy  
Peter O'Toole CFP® FFPA

### 2015

Paul Brady CFP®  
Patrick Canion CFP®

### 2014

Ian Donaldson CFP®  
Michael Farmer CFP®  
Dimitry Kingsford-Smith  
Matthew Rowe CFP®

### 2013

Dr Mark Brimble  
Scott Hay-Bartlem

### 2012

Debbie Gampe AFP®  
Andrew Gricks CFP®  
Hari Maragos CFP®

### 2011

Pippa Elliott CFP®  
Bev Ferris CFP®  
Sandy Hopps CFP®  
Gary Jones AFP®  
Colleen Pepper  
Laurie Pennell CFP®  
Rob Pyne CFP®  
Sue Viskovic CFP®  
Stephen Wait CFP®  
Deidre Walsh CFP®

### 2010

Kerrin Falconer  
Rodney Lavin CFP®  
Antony Seymour CFP®  
Donald Stephens

### 2009

Lyn Heaysman AFP®  
Julian Place CFP®  
Joe Saveniji  
Guy Thornycroft

### 2008

Sharon Knightley  
Louise Lakomy CFP®  
Delma Newton CFP®  
Jo Tuck CFP®  
Thomas Russell Tym CFP®

### 2007

Max Bourne CFP®  
Lin Burgess  
Steven Helmich  
Toni Roan  
Phil Thompson

### 2006

Ian Chester-Master CFP®

### 2005

Louise Biti CFP®  
Gweneth Fletcher  
Kym Harris  
Geoff Morris  
Peter Roan CFP®

### 2004

Chris Drummer  
Deborah Kent CFP®  
Bill Kouvas

### 2003

Kevin Bailey CFP®  
Tom Collins  
Ian Gillies CFP®  
Peeyush Gupta  
David Middleton CFP®  
Kate Stephenson

### 2002

Corinna Dieters  
John Hewison CFP®  
Nina Hope  
Neil McKissock CFP®  
David Squire  
David Williams

### 2001

Sarah Brennan  
Ray Griffin  
Laura Menschik CFP®  
Arthur Orchard  
Terry Power

### 2000

David Barnett  
Tony Beal  
Julie Berry CFP®  
Paul Clitheroe CFP®  
Clive Herrald CFP®  
Wes McMaster CFP®  
Colin Scully  
Ted Thacker  
Peter Van West CFP®

### 1999

David Catchpole  
Geoff Catt CFP®  
Jim Clegg  
Greg Devine CFP®  
James Doogue  
Peter Dunn CFP®  
Rick Forster  
Tony Gillett CFP®  
David Hartgill  
Leonie Henry  
Glenese Keavney  
Robert Keavney  
Tom Laidlaw  
Tony Lewis  
Russell McKimm  
Brian Nankivell  
Graham Reeve  
Arthur Russell  
Mike Sargeant  
Roslyn Shirlaw  
Dean Stokes CFP®  
Geoff Taylor  
Bernie Walshe CFP®  
Max Weston  
Kevin Wyld

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*What an historic year it has been for the financial planning profession. One that will be remembered as the year financial planning became recognised by the Government as a profession that needs protecting and nurturing.*

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The announcement of forthcoming legislation will radically transform the landscape and raise the bar on what is required to be a financial planner in Australia. Alongside this, the newly appointed Financial Adviser Standards and Ethics Authority (FASEA) will be charged with governing the conduct of financial planning professionals.

These also signal a tremendous outcome for the Australian public.

*“The changes work towards the building of consumer trust, and respect and recognition for financial planners.”*

The future enshrinement of the term financial planner/adviser is a significant win for consumers, who will soon be able to confidently look for professional advice without the worry of ending up in the wrong hands.

Achieving these outcomes has been the result of much hard work, by many passionate and determined individuals. I sincerely acknowledge and commend those FPA members who have contributed to this important policy agenda.

### **LASER 2020: A NEW FPA ROADMAP**

In June 2016, the FPA embarked upon a new strategic plan that provides direction for the next leg of the FPA journey – FPA's LASER 2020 strategy. The development of LASER 2020 is about recalibrating, reconnecting and

re-engaging. It sets the pathway for a four-year plan for the FPA to position and progress the profession even further.

The LASER acronym stands for the five key areas that encompass the FPA's strategic priorities: Leadership, Awareness, Standards, Engagement and Recognition. The 2016/17 achievements outlined in this report demonstrate the work that we began in the first year of this new journey.

Our first year on the LASER 2020 journey has been a productive and dynamic one, in terms of achievements and growth.

### **NEW AVENUES FOR PRO BONO WORK**

During this year, the FPA has connected with the Cancer Council to embark on a pilot Pro Bono Financial Planning Referral Service. This program provides assistance to families affected by cancer who are unable to afford the cost of financial advice. The national service matches these families with FPA members who can provide their services on a pro bono basis. We are proud to support such a worthy cause and we are grateful to our members who are donating their time and expertise.

### **A CHAMPION OF CHANGE**

Another new FPA partnership forged in 2016/17 was with Financial Executive Women (FEW). This alliance seeks to advance the progression of women in financial planning. Women currently make up 25% of the FPA membership, and only around 20% in the financial planning profession.

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*There is no doubt that financial planning is of national importance. More Australians than ever before need financial advice. Our new LASER vision sets out the pathway to position and progress our profession to support this.*

”

**Dante De Gori CFP®**  
Chief Executive Officer



Our collaboration with FEW aims to foster community, innovation and leadership among existing female planners, as well as encourage more women to choose a career in financial planning.

### GROWTH IN EDUCATION

A key growth milestone for 2016/17 has been around education standards. With the passing of legislation requiring financial planners to hold a degree, the FPA has continued to work closely with the academic community to develop degrees through our work with the Financial Planning Education Council (FPEC).

Undergraduate degrees are offered by 14 universities and postgraduate degrees are offered by 13 universities. In the last 12 months, two more degrees have been approved and seven further universities have expressed interest. We are looking to accredit a university in both South Australia and Western Australia very soon, to cover off all Australian States.

### FINANCIAL PLANNING AS A CAREER OF CHOICE

Related to this, the FPA's efforts to raise awareness of financial planning as a career of choice have continued to grow substantially this year. Our engagement with universities and involvement in student outreach activities more than doubled this year. We took part in 88 activities across 25 universities throughout the year, including presentations to students about a career in financial planning, participation on Q&A panels at student events, involvement in career expos and running of workshops on budgeting and investing, geared for university students. We also welcomed over 300 new student members to the FPA throughout this year.

### IMPROVING FINANCIAL WELLBEING

This year we took our commitment to increasing consumer awareness of financial planning to the next level. The FPA launched *Money & Life* ([moneyandlife.com.au](http://moneyandlife.com.au)), an online

destination designed to help Australians improve their financial wellbeing and understand the value of professional advice.

*Money & Life* forms part of the FPA's strategic priorities, outlined in its LASER 2020 vision for the next four years, to raise greater consumer awareness of the benefits of good advice, while rebuilding trust and confidence in financial planners.

The new digital destination site has already achieved tens of thousands of site visits and we are set to launch a fortnightly email newsletter to complement the site.

### STRONG PROFESSIONAL COMMUNITY

The professional community of the FPA continues to remain strong. FPA membership grew by 4% in 2016/17.

Upholding the highest standards of our membership, conduct and accountability is of utmost importance to the FPA. This supports our efforts to restore public trust and confidence in our profession. As such, during this year, 981 non-financial members were terminated, two were expelled as a result of disciplinary matters heard by the Conduct Review Commission (CRC), and five are no longer members due to automatic termination pursuant to the FPA Constitution.

I see a positive and sustainable future for our profession. A future that sees our members continue to provide valuable financial guidance and outcomes for clients, but also wins the hearts and minds of the next generation of financial planners.



**Dante De Gori CFP®**  
CHIEF EXECUTIVE OFFICER

New FPA strategy

# LASER 2020



**93,000**

visits to new digital site  
Money & Life



**+4%**

growth in membership



**12,899**

FPA members and affiliates



**300+**

new student members

Student engagement:

**88**

outreach activities at

**25**

universities

LEADERSHIP





P A V I N G

*the way*

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*Under our new LASER 2020 vision, the FPA's Leadership strategies focus on the important role we play in leading the profession around education and professional standards setting.*

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#### GOVERNMENT ADVOCACY

Our strong ties with government and regulators position us as the collective voice of our members and their clients, and we champion fair outcomes that advance our profession.

During 2016/17, the FPA advocated on a number of critical reform areas in financial planning. This included professional, ethical and education standards; external dispute resolution (EDR) and a compensation scheme of last resort (CSLR); and ASIC funding model. Our advocacy efforts support the FPA vision to stand with Australians for a better financial future, and drive outcomes that are fair and workable for the financial planning profession.

Some of the outcomes we secured this year are:

- Legislation of the recommendations to lift education, professional and ethical standards in the financial services industry
- Legislation to enshrine the terms 'financial planner' and 'financial adviser'
- Approval of the FPA's Professional Ongoing Fees Code by ASIC, an alternative to the standard opt-in requirements under the Corporations Act
- TPB recognition of the CFP® Certification Program as meeting the education standards for Australian Taxation Law.

## Education and Professional Standards

On 19 December 2014, the Parliamentary Joint Committee on Corporations and Financial Services (PJC) released its report of its Inquiry into proposals to lift the professional, ethical and education standards in the financial services industry. The FPA provided two submissions to the PJC, and also appeared as a witness at a public hearing held as part of the Inquiry.

The reform package proposed by the PJC overwhelmingly reflected the recommendations made in the FPA submissions and FPA 10 Point Plan we released in May 2014. Following initial stakeholder consultation with the FPA, Treasury released draft legislation on the new standards. The FPA made submissions on these drafts.

Legislation effecting the changes received Royal Assent in February 2017. Most aspects of the new regime commence on 1 January 2019. However, there is a transitional period for existing financial planners. The FPA is now working with members to develop recommendations to the recently announced Financial Adviser Standards and Ethics Authority (FASEA) who will be responsible for developing the five main standards of this reform framework.

## Future of Financial Advice (FoFA)

The Government is reviewing the FoFA reforms it has implemented. In our submission for the review, we recommended that the effect of the FoFA reforms on the quality and uptake of advice be assessed in light of the additional compliance costs associated with the reforms.

## Superannuation Reform

The Government initiated a number of consultations on the superannuation reforms announced in the 2016 Federal Budget and on the Productivity Commission's study of the competitiveness and efficiency of the superannuation system.

The Government's proposal, which we opposed, to introduce a lifetime cap on non-concessional contributions was dropped. We also recommended (and this was subsequently reflected in the legislation) that structured settlements receive favourable treatment under the reforms.

We recommended that the Productivity Commission's study of competitiveness and efficiency of the superannuation system assesses the quality of superannuation rather than just traditional financial indicators such as fee levels and net risk-adjusted returns. Our recommendation is reflected in the Commission's plan for the final stage of its study.

## Life Insurance Reform

Prior to the 2016 federal election, the Government announced a reform package in response to challenges facing the life insurance industry. The reforms provide for maximum ratios of commission payable to financial advice providers (including a transition period); and a clawback period.

The measures have now been legislated and are broadly consistent with the FPA's member-developed Life Insurance Blueprint, a package of industry led reforms to drive a competitive, professional and sustainable model for providing life risk advice.

The legislation also adopted the FPA's proposed grace period for applications lodged before the new legislation starts (where the policy is issued within three months of the new legislation starting). The new regime is to commence on 1 January 2018.

### Tax Agents Services Act (TASA)

Since 1 July 2014, financial planners have been required to meet the obligations of TASA, which is administered by the Tax Practitioners Board (TPB). As part of the 2017 FPA National Roadshow, we spoke to financial planners about their options for renewing their registration with TPB as tax (financial) advisers. We made submissions to the TPB in relation to proposed information sheets about the TPB's Code of Professional Conduct, which also covers tax (financial) advisers. The information sheets include guidance on protecting the confidentiality of client information. Our primary concern that there was a potential conflict between ASIC's and the TPB's approach to client confidentiality has been resolved by ASIC issuing a legal instrument to empower advisers to breach client confidentiality for the purpose of providing client information to licensees in certain circumstances.

### GOVERNMENT PARTICIPATION

During 2016/17, we contributed to a number of key government and parliamentary consultations and inquiries, including:

- Senate Standing Committees on Economics inquiry into Superannuation (Objective) Bill 2016
- Parliamentary Joint Committee inquiry into life insurance industry
- Senate Economics Legislation Committee inquiries into superannuation reform package
- Senate Economics Legislation Committee inquiry on consumer protection
- Productivity Commission Inquiry into alternative default models for the superannuation system
- The Attorney-General's Department implementation of the statutory review of the anti-money laundering and counter-terrorism financing (AML/CTF) regime
- Australian Law Reform Commission Inquiry into Elder Abuse
- Parliamentary Joint Committee inquiry into whistleblower protections

We also continued to represent members through participation in key Government committees and working groups throughout the financial year.



**219**

Stakeholder/Partnership  
engagement visits



**84**

Government and regulator  
meetings attended

#### FPA Government Committee Participation

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Superannuation Industry Advisory Group (SIAG)	Australian Taxation Office	A group focused on stewardship of the tax and superannuation systems.
Superannuation Industry Stewardship Group (SISG)	Australian Taxation Office	A group focused on stewardship of the tax and superannuation systems.
Tax Practitioners Board Consultative Forum	Tax Practitioners Board	A forum for the TPB to discuss matters relating to its role in regulating tax advice with its Recognised Associations.
Tax Practitioners Board Financial Advisers Forum	Tax Practitioners Board	A forum of key stakeholders for the TPB to discuss the regulation of financial advice under the Tax Agent Services Act.
ASIC National Financial Literacy Stakeholder Working Group	ASIC	A working group to assist ASIC efforts around improving financial literacy.



44

public submissions  
produced

### Public Submissions

*During 2016/17, we produced 44 public submissions, and numerous private submissions to Government, Treasury and ASIC and other regulators, plus countless informal submissions and letters to Government and other stakeholders.*

MONTH	SUBMISSION
<b>July 2016</b>	<ul style="list-style-type: none"> <li>Regulating digital financial product advice</li> <li>Further measures to facilitate innovation in financial services</li> </ul>
<b>August 2016</b>	<ul style="list-style-type: none"> <li>TPB Information Sheets on the Code of Professional Conduct (five exposure draft Information Sheets)</li> </ul>
<b>September 2016</b>	<ul style="list-style-type: none"> <li>Independent review of product sales commissions and product based payments in retail banking</li> <li>Productivity Commission Inquiry into the efficiency and competitiveness of the superannuation system</li> <li>FSC's public consultation draft of the proposed Life Insurance Code</li> <li>Superannuation reform package – first tranche</li> </ul>
<b>October 2016</b>	<ul style="list-style-type: none"> <li>Review of the financial system external dispute resolution framework</li> <li>Superannuation reform package – tranche two</li> <li>Superannuation reform package – tranche three</li> <li>Proposed changes to penalties for small business and individuals (ATO consultation)</li> <li>Review of the financial system external dispute resolution framework</li> <li>Alternative default models (superannuation)</li> </ul>
<b>November 2016</b>	<ul style="list-style-type: none"> <li>Project Plan – implementing AML/CTF Act Review recommendations</li> <li>Superannuation Reform – draft Law Companion Guidelines</li> <li>Draft privacy guidance relating to Chapter 4 of the AML/CTF Rules</li> <li>Superannuation (Excess Transfer Balance Tax) Bill 2016 [Provisions] and Treasury Laws Amendment (Fair and Sustainable Superannuation) Bill 2016 [Provisions]</li> <li>Exposure Draft TPB Information Sheet: Code of Professional Conduct – confidentiality of client information for tax (financial) advisers</li> <li>Parliamentary Joint Committee into corporations and financial services inquiry into the life insurance industry</li> </ul>

MONTH	SUBMISSION
<b>December 2016</b>	<ul style="list-style-type: none"> <li>• Industry funding model for ASIC</li> <li>• FSC draft minimum standards for medical definitions in life insurance products</li> <li>• Inquiry into the Superannuation (Objective) Bill 2016 [Provisions]</li> <li>• Corporations Amendment (Life Insurance Remuneration Arrangements) Regulation 2016</li> </ul>
<b>January 2017</b>	<ul style="list-style-type: none"> <li>• ASIC Corporations (Life Insurance Commissions) Instrument 2016</li> <li>• ASIC-ATO Information Sharing</li> <li>• Federal Budget 2017-18</li> <li>• Revised draft privacy guidance relating to Chapter 4 of the AML/CTF Rules</li> <li>• Interim Report – review of the financial system external dispute resolution and complaints framework</li> </ul>
<b>February 2017</b>	<ul style="list-style-type: none"> <li>• PJC inquiry into whistleblower protections in the corporate, public and not-for-profit sectors</li> <li>• Treasury review of tax and corporation whistle blower protections in Australia</li> <li>• Superannuation reform package – regulations</li> <li>• Consumer protection in the banking, insurance and financial sector</li> <li>• Australian Law Reform Commission discussion paper on Elder Abuse (DP83)</li> <li>• Phase 1 amendments to the AML/CTF Act 2006</li> </ul>
<b>March 2017</b>	<ul style="list-style-type: none"> <li>• Exposure Draft legislation for Industry funding model for ASIC</li> <li>• Design and Distribution Obligations and Product Intervention Power</li> </ul>
<b>April 2017</b>	<ul style="list-style-type: none"> <li>• Statutory Declarations Regulations Review</li> </ul>
<b>May 2017</b>	<ul style="list-style-type: none"> <li>• Budget 2017/18</li> <li>• Self-reporting of contraventions by financial services and credit licensees</li> <li>• Industry funding model for ASIC draft regulations</li> </ul>
<b>June 2017</b>	<ul style="list-style-type: none"> <li>• FoFA Post Implementation Review</li> <li>• Improving dispute resolution in the financial system</li> <li>• Compensation scheme of last resort</li> <li>• Review of APES230</li> </ul>

### FPA PROFESSIONAL ONGOING FEES CODE

In November 2016, ASIC approved the FPA Professional Ongoing Fees Code, providing FPA members with an alternative to the opt-in laws when engaging clients in an Ongoing Fee Arrangement.

Importantly, this is the first Code to ever be approved by ASIC and provides acknowledgment from the regulator on the rigour and robust nature of FPA's application and monitoring arrangements, and is also evidence that Professional Codes can be approved. From 1 July 2017, FPA practitioner members (CFP® professionals and Financial Planner AFP® categories) will be able to apply to the FPA to use the FPA Professional Ongoing Fees.

The Code provides the opportunity to implement an ongoing fee arrangement that is more practical and appropriate for clients and businesses of FPA practitioner members, whilst maintaining the highest level of consumer protection. Those subscribed will be able to renew their ongoing fee arrangements with clients every three years, rather than biennially. The approval of this Code provides members with the opportunity to tailor better solutions to their clients' circumstances when contracting for ongoing professional services.

### FPA PROFESSIONAL PRACTICE PROGRAM

The FPA Professional Practice program continues to foster professionalism in financial planning practices, and create consumer recognition for high quality practices around the country.

To further support and enrich the value offered within the program, this year we introduced a new category to the FPA Awards that recognises a leading practice with our FPA Professional Practice community. The *FPA Professional Practice of the Year* award showcases a planning business that demonstrates best practice across a range of assessed criteria.

From amongst the 280+ practices in the program, the inaugural *FPA Professional Practice of the Year 2016* was awarded to ipac Western Australia.

Other 2016/17 highlights relating to the FPA Professional Practice program were:

#### Referral programs

The successful FPA and Cbus Advice Referral program continues to connect Australian consumers with CFP® professionals within the FPA Professional Practice community. Now in its third year, the program celebrated a milestone – 3,000 client referrals have been generated as at 30 June 2017. In addition to this referral program, we are exploring other potential partnerships to expand the referral opportunities for our practices over the coming year.

### **Business HealthCheck**

In 2016/17, our alliance continued with Business Health, an independent provider of solutions for financial services businesses. Through this, the FPA subsidised a complimentary Business HealthCheck for FPA Professional Practices, enabling them to gain a better understanding of the practice management drivers in their business and the opportunities for improvement.

The HealthCheck provides practices with a comprehensive, independent and objective benchmarking review of their business against the industry average. There were 90 Practices who took part in the HealthCheck over the course of the year.

### **Practice forums**

For a second year, we hosted an FPA Professional Practice workshop at the 2016 FPA Professional Congress, facilitating peer-to-peer learning and networking within the practice community. The workshop was very well received and reached 280 attendees, a 33% increase on the previous year's attendance.

### **Tailored communications**

Our dedicated monthly Professional Practice e-bulletin is another way we share current opportunities and address challenges specific to the professional practice community.

### **Media opportunities**

Practice profile pieces and interviews remain a regular feature in *Financial Planning* magazine. This ranks in the top three most preferred content in our magazine and is an important opportunity to provide higher levels of professional recognition for practices who uphold high professional standards. In addition to this, we regularly connect FPA Professional Practices with local media opportunities.

### **FPA PROFESSIONAL PARTNER PROGRAM**

During 2016/17, we continued our efforts to deliver value to our FPA Professional Partner community.

The ongoing Partner Advisory Forums, such as the Education and Professional Standards Leaders Forum, has enabled us to deepen engagement with our Partners across different interest areas.

In 2016/17 the forums heavily focused on the professional standards and education framework, given the particular relevance this year.

We also engaged with our Partners on over 120 occasions, ranging from meetings and visits with leadership teams, to involvement in presentations, PD Days and conferences around the country across the full breadth of our Partners, large and small.

To keep the regular flow of information sharing with our Partner community, a monthly e-bulletin was regularly sent.

AWARENESS





BUILDING

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*trust*

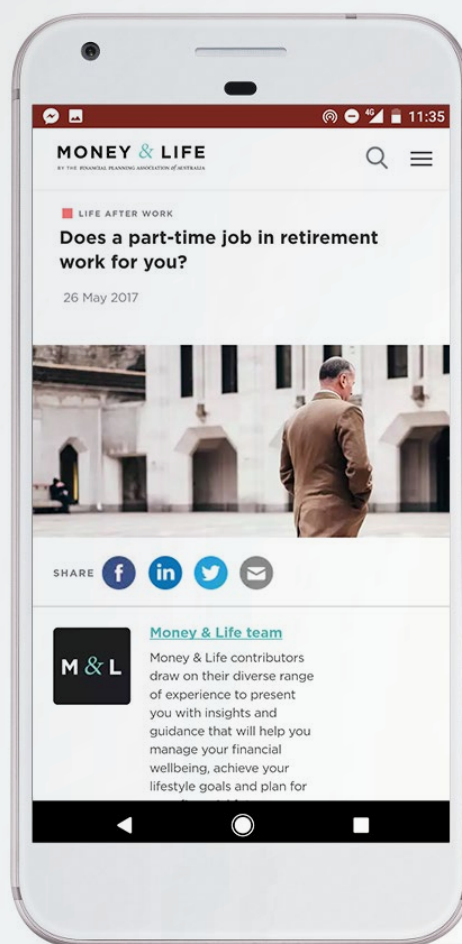
## *The FPA's LASER 2020 strategic priorities under Awareness focus on connecting with consumers and raising the level of trust in financial planners.*

### MONEY & LIFE

In March 2017, we launched *Money & Life* ([moneyandlife.com.au](http://moneyandlife.com.au)), an online destination designed to help Australians improve their financial wellbeing and also encourage more Australians to consider seeking professional financial advice from an FPA member.

This new content website forms an important part of the FPA's strategic priority to raise greater consumer awareness of the benefits of good advice, while rebuilding trust and confidence in financial planners.

The mobile responsive site seeks to empower and educate Australians with an exciting mix of fresh information, practical tips and inspiring real life stories to help them manage their finances. The site explores a wide variety of topics and aims to provide easy to understand and relatable information.



To provide broad appeal, *Money & Life* provides practical information across different content pillars:

- **Family and life events** – e.g. getting married, starting a family, divorce, education

- **Life after work** – e.g. preparing for retirement, mental health, downsizing

- **Grow your wealth** – e.g. investments, dealing with debt, setting goals

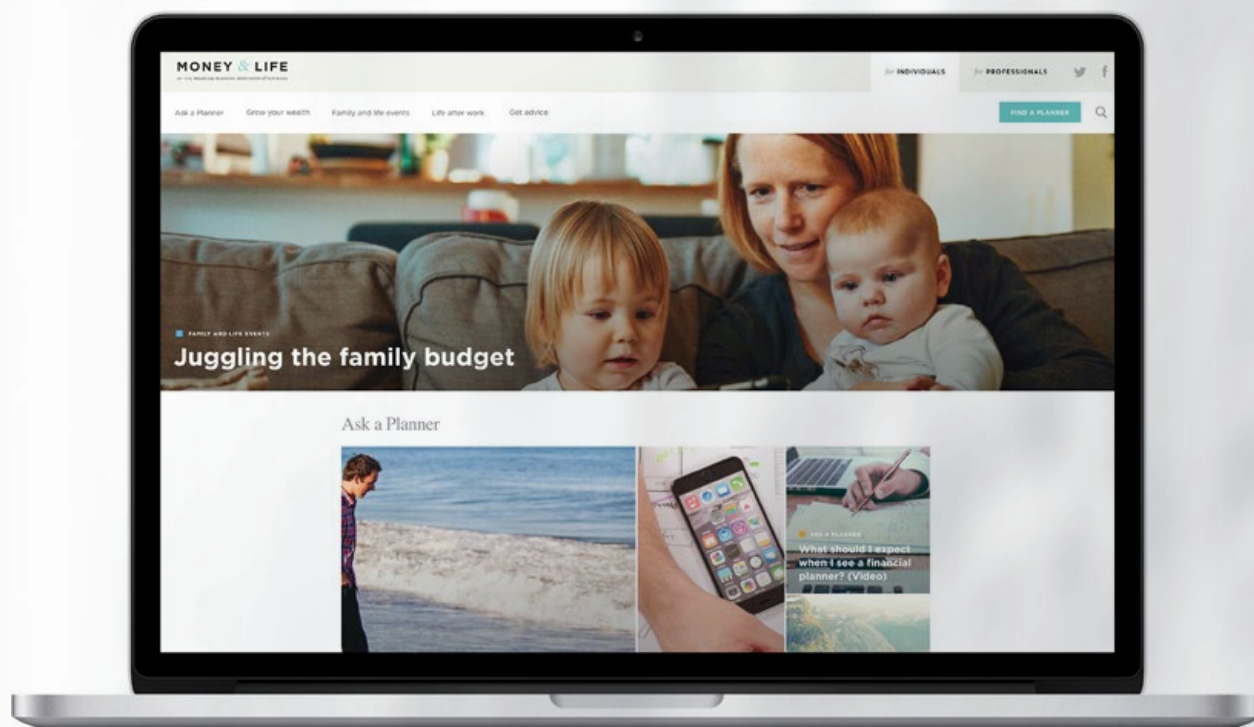
- **Get advice** – e.g. where to look for advice, the questions to ask a financial planner

- **Ask a planner** – short videos of financial planners answering common questions.

Alongside this, *Money & Life* also has a 'Professionals' section, which meets our second goal to provide career development and business growth content for financial planning professionals. The section of the site features articles on strategy, practice management, career development and also articles that are accredited with CPD hours if you take the online quiz.

As at 30 June 2017, the site has already attracted 93,000 page views, with 80% of the traffic made up of consumers. Growing the overall site visitation and building the subscriber database for the fortnightly *Money & Life* e-newsletter are important performance indicators for the coming year.

*Money & Life* is set to remain a valuable resource helping to improve the financial future of Australians.



## 10THOUSAND GIRL PARTNERSHIP

10thousand Girl is a not-for-profit social enterprise improving the financial wellbeing of women and families across Australia. In 2016, the FPA continued its partnership with 10thousandgirl to support their 2015-17 Regional Women's Financial Literacy Project. The project included a total of 16 regional workshops with over 850 attendees, 12 webinars with over 1,200 participants and a downloadable toolkit.

At the close of the program, the target of reaching 10,000 plus women was achieved and an RMIT evaluation report on 10thousand Girl found, because of the program, the participants are now:



**91%**

More motivated to achieve  
their financial goals



**83%**

Better able  
to plan ahead



**75%**

More in control  
of their money



**52%**

Less stressed  
about their future

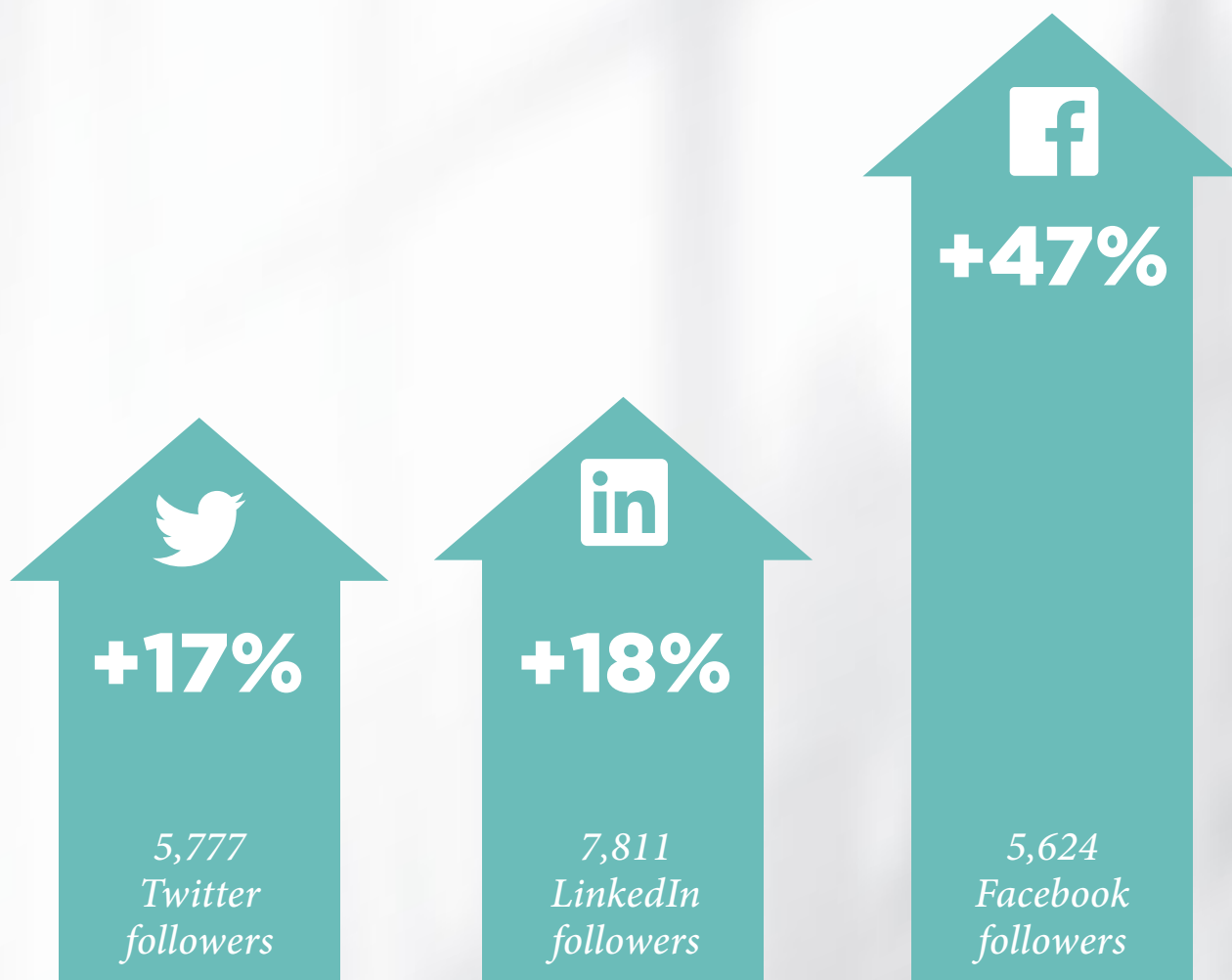
There were a number of FPA members who took part in this initiative, dedicating their time and sharing their expertise. We send a big thank you to these members for their support.

## SOCIAL MEDIA

Connecting with our members via Twitter and LinkedIn continues to provide a convenient way for members to be updated on latest developments and FPA announcements, as well as enabling direct conversation with members.

To support our consumer outreach programs, Facebook is our designated social channel and our connections on this platform continue to grow. Facebook advertising has been integral to sharing the new content available to the general public housed on our *Money & Life* website, our online portal to educate and empower Australians to improve their financial wellbeing.

Our annual consumer awareness initiative – *Financial Planning Week 2016* – also featured an intensive social media program to help communicate the importance of professional financial advice in helping people realise their dreams.



## NATIONAL CONSUMER ADVERTISING

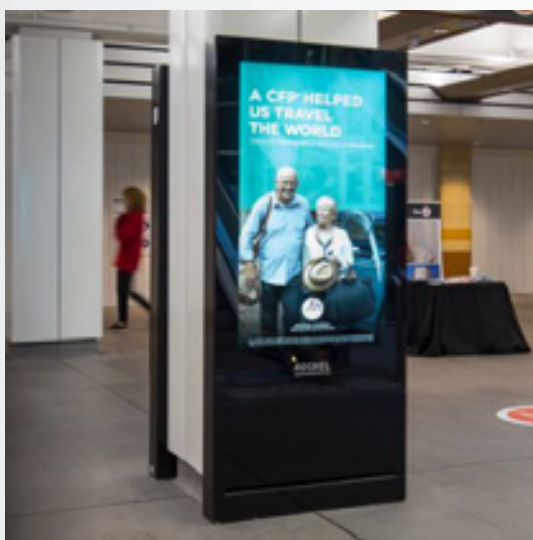
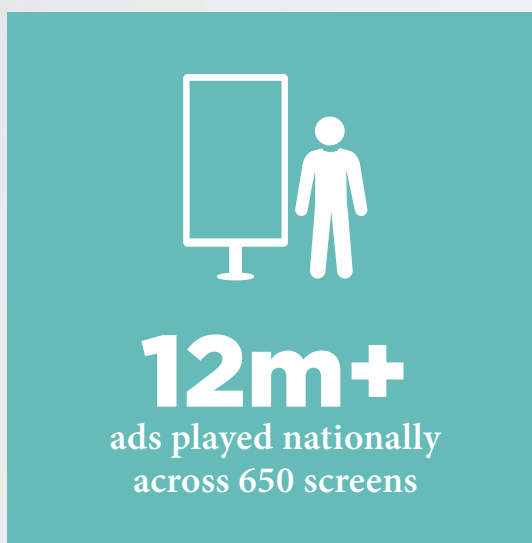
This year, we continued our efforts to increase awareness of the CFP® designation among consumers. The 2017 national advertising campaign was designed to dispel the myth that financial planning is just for the wealthy, by demonstrating the ways that CFP professionals can improve the lives of everyday Australians. Funded by CFP professionals, the “Everyone deserves a CFP” advertising included different messages targeting key lifestyle goals among 35-65 year old Australians.

From April – June 2017, our advertising was seen across 650 outdoor locations and in 51 newspapers nationally. The mix of advertising channels were chosen to ensure as much awareness and geographical coverage across Australia as possible – regional and metro.

The advertising campaign complements our year round marketing initiatives to build awareness of the CFP designation among consumers, including ongoing Google Search advertising, Facebook advertising, public relations activity and content marketing on our *Money & Life* website, as well as our annual *Financial Planning Week* initiative.

On the following pages are the highlights from the three-month campaign.

### Outdoor advertising



## Print advertising



**A CFP<sup>®</sup> HELPED ME START MY DREAM BUSINESS**

**CFP<sup>®</sup> THE SIGN OF GOOD ADVICE**  
CERTIFIED FINANCIAL PLANNER

A CERTIFIED FINANCIAL PLANNER<sup>®</sup> professional is internationally recognised for the highest education and ethical standards. So if you want financial advice, just look for a CFP<sup>®</sup> professional. You can find one today in your local area at [fpa.com.au](http://fpa.com.au)

CFP<sup>®</sup> CERTIFIED FINANCIAL PLANNER<sup>®</sup> and CFP Logo<sup>®</sup> are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd (FPSB). Financial Planning Association of Australia Limited is the marks licensing authority for the CFP marks in Australia, through agreement with FPSB.



**A CFP<sup>®</sup> HELPED US PLAN FOR HER FUTURE**

**CFP<sup>®</sup> THE SIGN OF GOOD ADVICE**  
CERTIFIED FINANCIAL PLANNER

A CERTIFIED FINANCIAL PLANNER<sup>®</sup> professional is internationally recognised for the highest education and ethical standards. So if you want financial advice, just look for a CFP<sup>®</sup> professional. You can find one today in your local area at [fpa.com.au](http://fpa.com.au)

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**A CFP<sup>®</sup> HELPED ME PAY OFF MY HOME**

**CFP<sup>®</sup> THE SIGN OF GOOD ADVICE**  
CERTIFIED FINANCIAL PLANNER

A CERTIFIED FINANCIAL PLANNER<sup>®</sup> professional is internationally recognised for the highest education and ethical standards. So if you want financial advice, just look for a CFP<sup>®</sup> professional. You can find one today in your local area at [fpa.com.au](http://fpa.com.au)

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**A CFP<sup>®</sup> HELPED US TRAVEL THE WORLD**

**CFP<sup>®</sup> THE SIGN OF GOOD ADVICE**  
CERTIFIED FINANCIAL PLANNER

A CERTIFIED FINANCIAL PLANNER<sup>®</sup> professional is internationally recognised for the highest education and ethical standards. So if you want financial advice, just look for a CFP<sup>®</sup> professional. You can find one today in your local area at [fpa.com.au](http://fpa.com.au)

CFP<sup>®</sup> CERTIFIED FINANCIAL PLANNER<sup>®</sup> and CFP Logo<sup>®</sup> are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd (FPSB). Financial Planning Association of Australia Limited is the marks licensing authority for the CFP marks in Australia, through agreement with FPSB.

Newspaper placements

**What price for this life?**

Four policy options to save cash

**YOU'VE LISTENED TO US ABOUT A HEAVY ATTACK WHEN THE PAYMENT FOR ALL THOSE YEARS OF CONTRIBUTING FINALLY COMES DUE**

**THE NATIONAL MUTUAL LIFE ASSOCIATION IN A BUILDING**

**A CFP HELPED ME START MY DREAM BUSINESS**

**THE SIGN OF GOOD ADVICE**

**CERTIFIED FINANCIAL PLANNER**

**2.5m**

people saw our print ads

**82**

print ads ran across

**51**

national, metro and regional newspapers

**Diary: May**

**Chloe basks in glory of scholarship**

**A CFP® HELPED US PLAN FOR HER FUTURE**

**THE SIGN OF GOOD ADVICE**

**CERTIFIED FINANCIAL PLANNER**

**Whitnash Funeral & Crematorium**

**Whitnash Funeral & Crematorium**

**Whitnash Funeral & Crematorium**

## ONGOING ACTIVITY

### Google search advertising

Using sophisticated geo-targeting, on average **6,000** consumers are searching for a financial planner online and are directed to Find a Planner each month.

### Content marketing

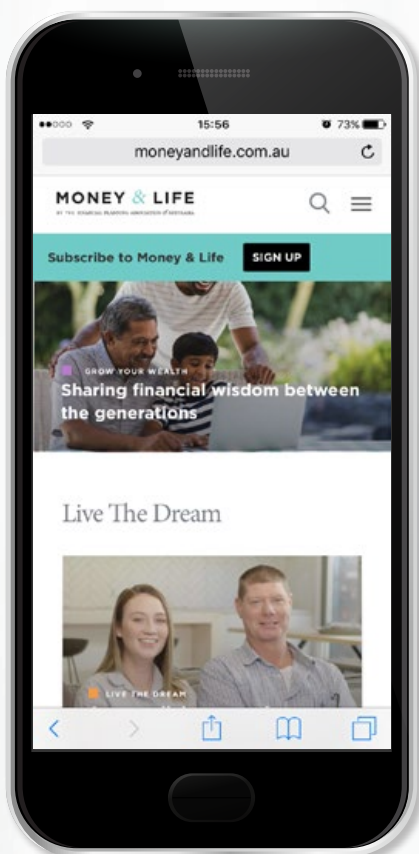
Designed to help Australians improve their financial wellbeing and share positive stories about the power of financial advice, *Money & Life* has had **93,000** views since the site launched in March.

### Facebook advertising

With targeting based on behaviour and interests, on average **20,000** consumers engage with our Facebook advertising each month.



Google search advertising



Content marketing



Facebook advertising

## FINANCIAL PLANNING WEEK

In 2016 we held our 16th annual *Financial Planning Week*. The consumer campaign was centred on the theme of “Dare to Dream” and designed to raise awareness about the importance of professional financial advice in helping people realise their dreams.

The FPA appointed award-winning author and social commentator Jane Caro as its official campaign ambassador.



*Financial Planning Week* ambassador – Jane Caro

A strong believer in the importance of financial independence and planning, Jane’s rare ability to provide insightful social commentary in an accessible and humorous manner made her an ideal choice for the role. As ambassador, Jane greatly magnified the campaign messages, including a TV mention as ambassador on *Weekend Sunrise* and dedicated article in Fairfax’s *Sunday Life* magazine.

The “Dare to Dream” campaign included the following major elements:

**Campaign launch video:** Featuring our CEO Dante De Gori and official Financial Planning Week Ambassador, Jane Caro.

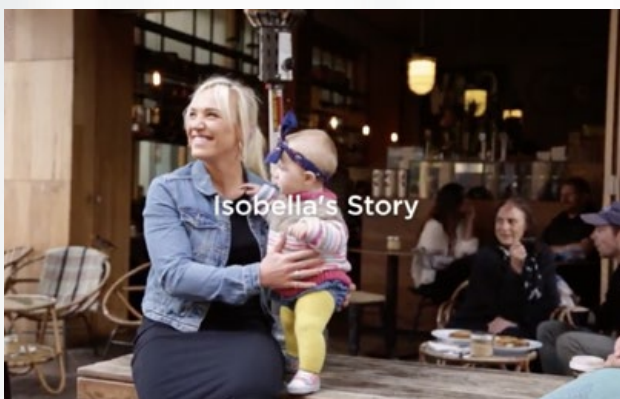
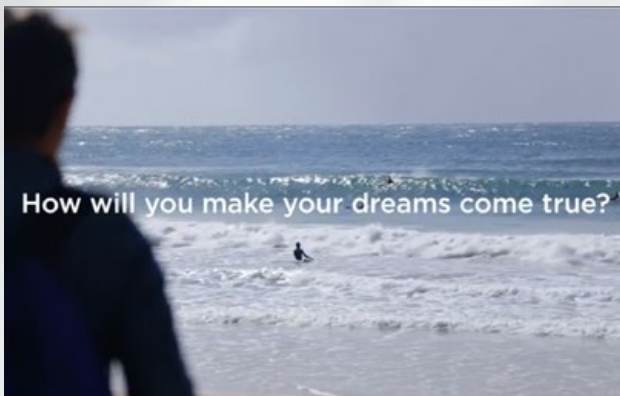
**Video stories** featuring real life client transformations.

**National sentiment research:** Partnering with McCrindle Research, the FPA published its “Dare to Dream” national research report revealing Australian’s current attitudes to their hopes, dreams and financial futures.

**TV, print and radio outreach:** Using insights from the research report, and support from campaign ambassador, Jane Caro, the FPA captured the attention of national media during Financial Planning Week.

**Shareable social media quiz:** The quiz asked Australians to discover their own “dreamer personality” and share their result on social media.

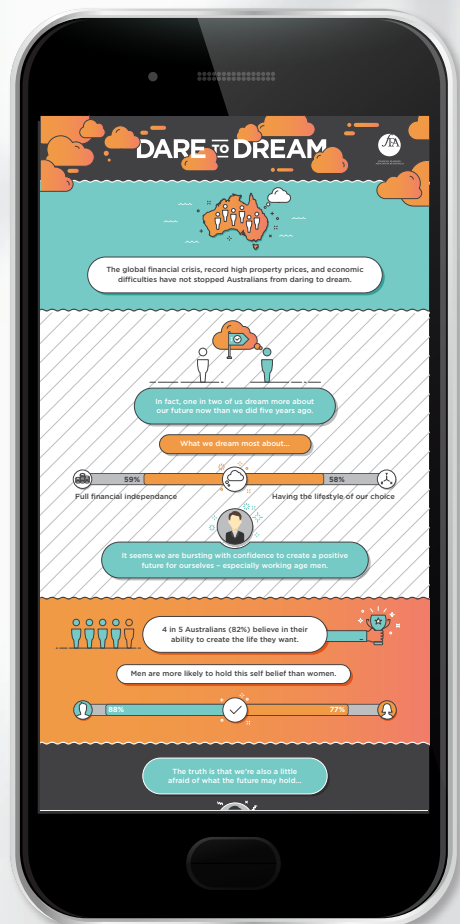
FPA members were encouraged to support *Financial Planning Week* and a ready-to-go marketing toolkit enabled members to access campaign assets and share them with existing and potential clients.



Campaign launch video and real-life client transformation video



National research report produced in partnership with McCrindle Research



Shareable social media quiz

The key results from *Financial Planning Week 2016* were:



**32**

articles in national, metro  
and local print media



**295**

downloads of FPA sound  
bites by radio stations



**38,100+**

reached on Twitter  
and 194 x #daretodream



**1,350**

FPA members  
accessed the toolkit



**4,100**

visits to the online quiz



**269,000**

views on video

## CAMPAIGN RESULTS

The key results from *Financial Planning Week 2016* (August 22-28) were:

- 32 articles in national, metro and local print media
- 295 downloads of FPA sound bites by radio stations across the country
- Eight online features, including the *Daily Telegraph*, *Canstar*, *Mamamia* and *Women's Agenda*
- One TV mention of Jane Caro as Ambassador on *Weekend Sunrise*
- Over 38,100 reached on Twitter and 194 #daretodream mentions
- Over 269,000 views on video
- 4,100 visits to the online quiz
- 1,350 FPA members accessed the toolkit

## MEDIA RELATIONS

Our media relations efforts in 2016/17 saw us engage proactively and reactively with a range of trade and consumer media to establish relationships and secure positive coverage.

In the trade media, our regular media releases and fast response to media enquiries secured widespread coverage on key FPA strategic announcements relating to policy and professional issues impacting financial planners, as well as FPA events, awards and philanthropy.

Reflecting our sharpened focus on consumer awareness, consumer-facing media coverage increased significantly, both in FPA mentions and the number of FPA members who were interviewed to give expert advice on how Australians can improve their finances.

## Potential reach of media coverage 2016/17





# STANDARDS



R A I S I N G

*the bar*

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*The FPA LASER 2020 strategy includes a commitment to lifting and maintaining education **standards** in financial planning. This includes creating a clear study pathway into a professional career, promoting the CFP® Certification Program, and deepening our relationships with the academic community.*

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## CFP® CERTIFICATION PROGRAM

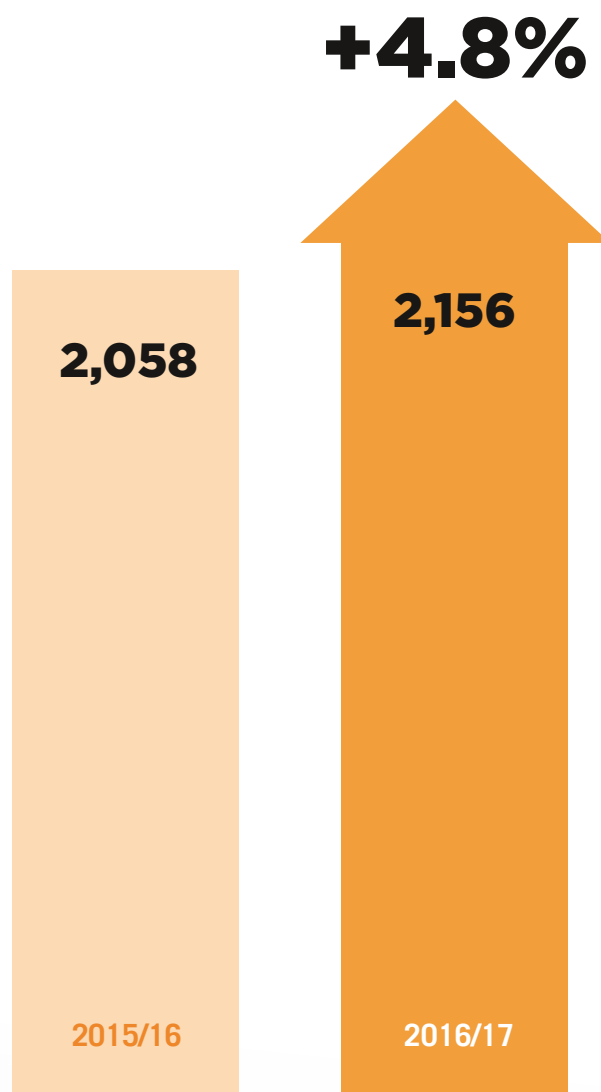
This year has brought an unprecedented focus on the education and professional standards of financial planners, with new future legislation set to raise the bar on the qualifications, training and accountability required for financial planners.

The CFP® Certification Program remains the gold standard in financial planning and, while challenging, those who make the commitment to this study earn themselves a place at the forefront of our profession. The CFP designation draws more clients to them, and most importantly, provides an opportunity to develop new skills that enhance the services a planner provides to their clients.

*In 2016/17, 213 FPA members completed our program and obtained their CFP designation.*

Enrolments suggest that many more FPA members are on track to join these new CFP professionals.

## Comparison of enrolments



Congratulations to the following members who were admitted as CERTIFIED FINANCIAL PLANNER professionals during 2016/17:

**ACT**

Thomas Noad CFP®  
Gianna Salvestro CFP®  
Johannes Vermeulen CFP®

**NSW**

Douglas Adie CFP®  
Juliet Archer CFP®  
Melissa Balacharige CFP®  
James Basche CFP®  
Karoline Besser CFP®  
Simon Boom CFP®  
Jessica Brizuela CFP®  
Bianca Cannon CFP®  
Eric Chen CFP®  
Timothy Ching CFP®  
Daniel Chung CFP® LRS®  
Mark Cracknell CFP®  
Timothy Cummins CFP®  
Iain Davidson CFP®  
Craig Davison CFP®  
Anthony Davison CFP®  
Silas DeBolt CFP®  
Xiao Chun Ding CFP®  
Alison Fischer CFP®  
Daniel Fogden CFP®  
Roxanne Gorman CFP®  
Ivan Haramina CFP®  
Gregory Harris CFP®  
Michelle Higgerson CFP®  
Robert Hill CFP®  
Keiran James CFP®  
Thomas Jeffries CFP®  
Philip Johnson CFP®  
Suzanne Johnston CFP®  
Torrance Kassabian CFP®  
John Khamis CFP®  
Gregory Kynoch CFP®  
Danae Lacey CFP®  
Paul Larkin CFP®  
Timmy Lee CFP®  
Andrew Lim CFP®  
David Lipari CFP®

Ryan Lisson CFP®  
Belinda Lynch CFP®  
Cara Mollica CFP®  
Andre Mudigdo CFP®  
Jonathan Mulconry CFP®  
Gavin Murray CFP®  
Chinthaka Muthukuda CFP®  
Ronald Ngo CFP®  
Troy Ottens CFP®  
Anthony Pears CFP®  
Toby Perkins CFP®  
Jonathan Pohl CFP®  
Kurt Prebble CFP®  
William Rainger CFP®  
Jessica Roberts CFP®  
Michael Rose CFP®  
Mohamed Said CFP®  
Jigarkumar Shah CFP®  
Toby Sinclair CFP®  
Cara Slosberg CFP®  
Jake Smith CFP®  
Belinda Tink CFP®  
Zachary Trinnick CFP®  
Paul Trosti CFP®  
Keith Tse CFP®  
Scott Ungaro CFP®  
Luke Verwey CFP®  
Terrence Vogiatzis CFP®  
Shaun Walsh CFP®  
Matthew Werakso CFP®  
Matthew Williams CFP®  
Jonathan Winfield CFP®  
Andrew Wong CFP®  
Xiao Yang CFP®

**QLD**

Paul Bronson CFP®  
Joshua Dalton CFP®  
Annie Dawson CFP®  
Liam Ferguson CFP®  
Jason Fleming CFP®  
Heinz Hillenbrand CFP® LRS®  
Jessie Hinds CFP®

Chelsea Hosie CFP®  
Natasha Johnson CFP®  
Anna Johnston CFP®  
Mary Kelly CFP®  
Steven Larman CFP®  
Andrew Macdonald CFP®  
Vikki Manuel CFP®  
Benjamin Marshall CFP®  
Jonathan McCullagh CFP®  
Luke Muir CFP®  
Mark O'Flynn CFP®  
Donna Picton CFP®  
Nicole Robinson CFP®  
Simon Rogers CFP®  
Bradley Russell CFP®  
Michael Ryan CFP®  
Sharan Sheth CFP®  
Justin Shipp CFP®  
Brent Story CFP®  
James Weyler CFP®  
Simon Willis CFP®  
Jessica Wright CFP®  
Angelina Wu CFP®  
Arash Zamansani CFP®

**SA**

Peter Crump CFP®  
Mark Haddad CFP®  
Simon Harding CFP®  
Isaac Kalleske CFP®  
Andrew Marsh CFP®  
Mark Opie CFP®  
Michelle Secomb CFP®  
Surinder Singh CFP®  
Warren Standing CFP®  
Oliver Temme CFP®

**TAS**

Samuel Baker CFP®  
Simon Bresnehan CFP® LRS®  
Simon Duigan CFP®  
Leanne Stokes CFP®

## VIC

Michael Anderson CFP®  
Jordan Andrews CFP®  
Stephen Asztalos CFP®  
Emma Bant CFP®  
Kristin Bishop CFP® LRS®  
Luke Bolzonello CFP®  
Adam Brady CFP®  
Kyle Brumley CFP®  
Ngan Bui CFP®  
Julia Bull CFP®  
Jason Calleja CFP®  
Christopher Carlin CFP®  
Kevin Centra CFP®  
Calan Choke CFP®  
Tudor Cosma CFP®  
Dylan Cresswell CFP®  
Gareth Daniels CFP®  
Joshua Davis CFP®  
Kanhai Desai CFP®  
Jacques Desire CFP®  
Philip Foo CFP®  
Cameron Forbes CFP®  
Carl Freshwater CFP®  
Yanish Geerdharry CFP®  
Samantha Greene CFP®  
Jonathan Grigg CFP®  
Daniel Gumley CFP®  
Marek Habsuda CFP®  
Lisa-Anne Han CFP®  
John Hiolos CFP®  
Nicole Holm CFP®  
Andrew Huyton CFP®  
Peter Jackson CFP®  
Oliver Ladd CFP®

Melanie Lever CFP®  
James Li CFP®  
David Lofthouse CFP®  
Kristina Low CFP®  
Vincenzo Madaffari CFP®  
Giovanni Manserra CFP® LRS®  
Jessica Nance CFP®  
Calvin Nee CFP®  
Tin Nguyen CFP®  
Cameron Obliubek CFP®  
Ryan O'Dwyer CFP®  
Mark Porter CFP®  
Diana Rogers CFP®  
Elise Ryan CFP®  
Ge Sang CFP®  
Onur Serbest CFP®  
Stuart Skidmore CFP®  
Brendan Smith CFP®  
Samantha Sun CFP®  
Wilson Ter CFP®  
Craig Thwaites CFP®  
Matthew Torney CFP®  
Natalie Tyrer CFP®  
John Versace CFP®  
Jonathan Vickers-Willis CFP®  
Ryan Wadsworth CFP®  
Xiao Jie (Sarah) Wang CFP®  
Dean Wansbrough CFP®  
Daniel Weeks CFP®  
James Wheatley CFP®  
Gregg Winder CFP®  
Liang Wei Wong CFP®  
Jeff Yacoub CFP®  
Steve Zarifopoulos CFP®  
Bo Zhang CFP®

## WA

Rachel Blake CFP®  
Michael Brindal CFP®  
Peter Campbell CFP®  
Jia Sing (Joy) Chang CFP®  
Ying Chieh Chen CFP®  
Travis Edwards CFP®  
David Gee CFP®  
Cynthia Gerrard CFP®  
Nicholas Harmer CFP®  
Nicholas Horstman CFP®  
Jacques Malan CFP®  
Josh Metcalf CFP®  
Trevor O'Callaghan CFP®  
Salvatore Pizzata CFP®  
Ryan Scherini CFP®  
Julia Schortinghuis CFP®  
Sarit Shah CFP®  
Paul Stephan CFP®  
Tammy Stone CFP®  
Dawn Thomas CFP®  
Rory Thomson CFP®  
Trevor Tollis CFP®  
Aaron Washfold CFP®  
John William Weall CFP®  
Mei (Venus) Wong CFP® LRS®

We continue to listen to member feedback and identify opportunities to enhance and ensure we are delivering an optimum student experience. In the last twelve months we offered more live and recorded tutorial webinars for all CFP certification units and continued to facilitate the availability of study groups for our members.

## FINANCIAL PLANNING EDUCATION COUNCIL (FPEC)



### FINANCIAL PLANNING EDUCATION COUNCIL

FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

During 2016, the FPEC accreditation process for approved degrees was recommended by the Parliamentary Joint Committee as the benchmark for the whole industry. On 9 February 2017, the new legislation was passed to provide assurance to consumers that their financial planner will be highly trained, experienced and subject to an enforceable code of ethics, under a new professional standards and education framework.

The legislation will be effective from 1 July 2017 and involve the establishment of an independent standards setting body to ensure clear education standards for any practising or aspiring financial planner. It will also set the professional year framework and continuing professional development requirements, setting a registration exam as well as developing a code of ethics for financial planners.

During the establishment period of the new standards body, FPEC will continue its current work. FPEC curriculum requirements mandate at least eight subjects within a degree covering the financial planning process, and underpinning legislation, insurance, investment, superannuation, commercial law, taxation, estate planning advice skills and financial plan creation. They include both ASIC and TPB requirements in preparing people for the CFP® Certification Program.

FPEC has accredited undergraduate degrees offered by 14 universities and postgraduate degrees offered by 13 universities. In the last 12 months, two more degrees have been approved and seven further universities have expressed interest.

In the current environment FPEC continues to engage with many universities to develop interest in the new opportunities that will arise from the new legislation as the degree requirements are embedded and transitioning planners seek approved bridging programs to meet the degree requirement.

The FPEC members are:

**Chair:** Professor Mark Brimble  
Head of Discipline (Finance and  
Financial Planning) – Griffith University,  
OLT National Fellow

**Deputy Chair:** Sharon Taylor  
Associate Professor, School of Business  
(Accounting) – Western Sydney University  
Diana Bugarcic – St George TAFE

Dr Kingsley Fong  
Associate Head of the School of Banking  
and Finance, UNSW

Martin McIntosh CFP®  
Director, Planning Partners

Chris Morcom CFP®  
Director/Private Client Adviser,  
Hewison Private Wealth

Marc Olynyk AFP®  
Senior Lecturer in Financial Planning,  
Deakin University

Dr John Teale CIP  
Senior Lecturer and Program Leader  
in Financial Planning – University  
of New England

Rebecca Watt CFP®  
NAB

Amelia Constantinidis  
CBA

Dante De Gori CFP®  
FPA

Howard Cook  
FPA

## ACADEMIC RESEARCH GRANTS

The FPA is committed to supporting academic research that furthers the financial planning profession.

*The Academic Research Grants recognise those that have demonstrated a commitment to encouraging the development of financial planning as an academic discipline in its own right.*

During 2016/17, two winners were awarded the grant, with recipients coming from Griffith University and Western Sydney University (WSU). They were awarded \$5,000 each to support the research they were doing to further grow relationships between the tertiary sector and the financial planning profession.

## THE FINANCIAL PLANNING RESEARCH JOURNAL

The *Financial Planning Research Journal*, a joint initiative of the FPA and Griffith Business School, is a dedicated academic journal on financial planning. This publication reinforces the strong links between the FPA and the financial planning academic community and provides an opportunity for current research in the profession to be published.

Published online twice a year and available on the FPA website, the journal incorporates peer-reviewed academic articles covering the full spectrum of the financial planning profession.

In September 2016, the journal was lodged with the Australia Business Deans Council for review and classification. The Deans Council ranked it as a C class journal and this is a great achievement after its first publication. Special edition journals are now being planned to focus on key areas for the profession.



### CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Each year we are committed to providing a comprehensive program of continuing professional development (CPD) via online learning, local and national events, and *Financial Planning* magazine.

Our comprehensive 2016/17 CPD webinar series enabled FPA members to access online learning across practice management, technical, developmental and professional value capabilities, such as risk intelligence, ethics, leadership, social media, fintech, retirement and estate planning, taxation, superannuation and investment strategies. The webinars also provided legislative and regulatory updates and Federal Budget analysis.

Throughout the year, the program attracted 7,834 webinar registrations and 3,749 recording requests. Each of the webinars is accredited with CPD hours. In addition, 2,803 CPD quizzes were completed by members to earn CPD hours by reading the relevant *Financial Planning* magazine articles.

We also offer a CPD accreditation service that provides independent evaluation and accreditation of professional development activities outside the FPA, according to our CPD Policy and Accreditation guidelines.



## +200%

**Webinar registrations**

2016/17	7,834 registrations
2015/16	3,746 registrations



## +200%

**CPD quizzes completed**

2016/17	2,803 completed
2015/16	1,340 completed



## +6%

**CPD hours accredited**

2016/17	3,028 hours
2015/16	2,860 hours

## PROFESSIONAL ACCOUNTABILITY

We remain committed to informing members and the community of the trends and outcomes of complaints and disciplinary action in the financial planning profession. It is important for members and the community to be confident that we take a strong position when responding to breaches of professional expectations.

On 1 July 2016, changes to the FPA Disciplinary Regulation came into effect for any complaints made or initiated from this date. These FPA Board-approved changes have sought to improve the efficiency of our independent disciplinary process in the event of a complaint.

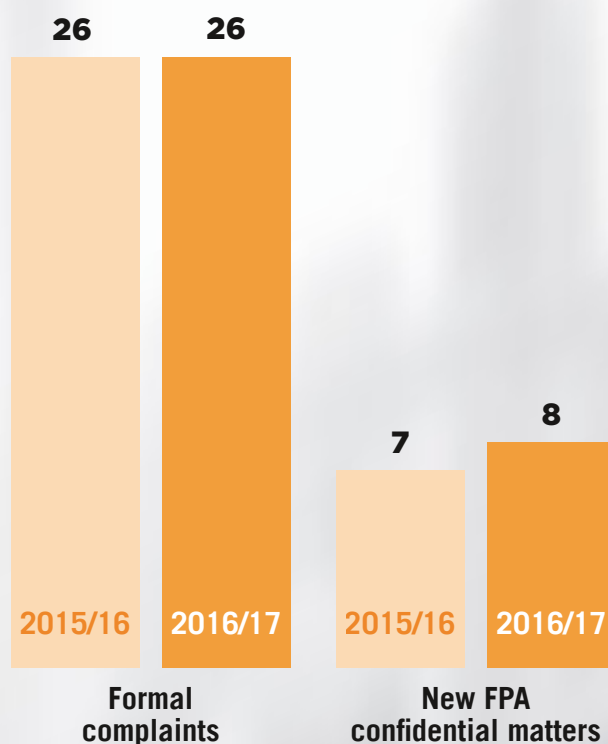
The FPA Conduct Review Commission (CRC) has responsibility under the FPA Constitution and the FPA Disciplinary Regulation for determining disciplinary actions brought by the FPA against members.

Disciplinary action against a member often follows the investigation of a consumer complaint, although the FPA may initiate a complaint. The FPA Investigating Officer may report any suspected Breach(es) of the FPA's Code of Professional Practice to the Chair of the CRC. The Chair may then instruct the FPA to commence Disciplinary Proceedings by issuing a Notice of Disciplinary Breach to the Member for the alleged Breach(es).

A CRC Disciplinary Panel is formed to hear and determine the disciplinary action against the member. If a breach is proven to the satisfaction of the panel, it may impose sanctions against the member, ranging from reprimand through to requiring professional education and supervision, fines and expulsion in the most egregious matters.

The FPA's Professional Accountability program resulted in the following activity and results:

### Professional accountability activity and results



### Academic misconduct investigations

Of the ten academic misconduct investigations conducted in 2016/17, eight were referred to the Professional Designation Committee with sanctions imposed.



- plagiarism and collusion
- plagiarism
- no action

## 34

ASIC bans in 2016/17

**4 FPA Members**



The FPA's Professional Accountability program also included the following activity:

- Conducted 13 Advice Reviews in the Cbus Referral Program

- Reviewed 21 Professional Practice applications and 22 individual Member applications (by exception) to ensure the high standards of the FPA are being met by new applicants.

- During the March 2017 CPD and Marks Audit, we were referred three Members who had not completed their requirements or responded to the Audit. Two were managed and resolved through discussions with the Member and/or their licensee, while the third is being considered for further disciplinary action.

- The CRC delivered Determinations in two matters as a result of Disciplinary Panel hearings held during 2016. All Breaches alleged were proven with both Members expelled and one was ordered to pay costs of the hearing and fined. (*Refer to Table 1*)

- We automatically terminated the membership of five FPA Members by operation of the Automatic Termination provisions of the FPA Constitution. (*Refer to Table 2*)

- It should be noted that ASIC banned 34 individuals from practising as financial planners and of these, only four were members of the FPA, and one related to a Member also subject to expulsion from FPA membership by the CRC.

Table 1: CRC Determinations

CASE NUMBER	MEMBER DETAILS	MEMBER NUMBER	EFFECTIVE DATE	MEMBER CATEGORY	SANCTION
CRC 2016_1 Breaches & Sanctions	Shylesh Sriranjani	343480	9 Jan 2017	AFP®	Proven – Expelled
CRC 2016_2 Breaches	Darren Tindall	341771	11 Jan 2017	AFP®	Proven – Expelled
CRC 2017_1 Sanctions	Darren Tindall	341771	6 Mar 2017	AFP®	Costs of CRC Hearing – Fined

Table 2: Termination pursuant to FPA Constitution

MEMBER NAME	MEMBER NUMBER	EFFECTIVE DATE	MEMBER CATEGORY	CLAUSE	REASON
Sarah Gardner	020924	17 Aug 2016	CFP®	16.1 (e)	Banned by ASIC
James Gibbs	012975	10 Nov 2016	CFP®	16.1 (g)	Failed to show cause why membership should not be terminated
Andrew Tambyrajah	335917	08 Dec 2016	CFP®	16.1 (e)	Banned by ASIC
Adrian Chenh	352587	04 Apr 2017	AFP®	16.1 (e)	Banned by ASIC
Dahlia Thai	348215	06 Jan 2017	CFP®	16.1 (c)	Knowingly failed to disclose material information in application

### CPD AND DESIGNATIONS AUDIT

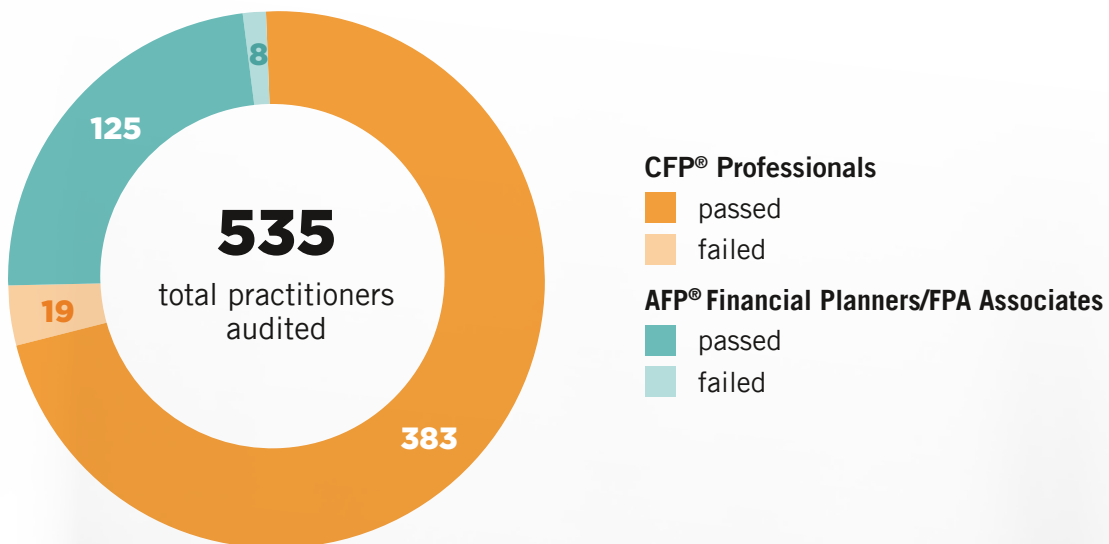
*Maintaining high professional development standards within our membership is an important priority of the FPA.*

During the financial year we conducted two CPD audits – September 2016 and March 2017.

The auditing process is primarily designed to help practitioner members meet their CPD obligations, and ensure correct use of FPA and FPSB branding.

The FPA works closely with members to obtain a favourable outcome in relation to a CPD Audit. If a member's CPD record is found to be in deficit, the member will be asked to prepare a plan to rectify the deficit and the member will be audited again in the next available audit. Where a member fails to respond to an audit, they will be selected automatically for the next audit. Failure to cooperate with the audit process will result in disciplinary proceedings being brought against the member.

## Results of the CPD and designations audit of practitioner members 2016/17



A black and white photograph of a group of people in a meeting. In the foreground, a person's hand is visible, holding a pen over a document. Another person's hand is seen holding a tablet. A third person, wearing a plaid shirt, is also visible. The background is blurred. A green rectangular overlay is positioned on the left side of the image, containing the word 'ENGAGEMENT' in white, uppercase letters.

## ENGAGEMENT



STRONGER

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*together*

*Under **Engagement** in the FPA's LASER 2020 strategy, our focus is to ensure the support, services and benefits we offer our membership are valuable and remain relevant. It's also about encouraging and enabling more students to choose financial planning as a career.*

#### COMPOSITION OF MEMBERSHIP 2017

CFP® Professional members	5,629
Financial Planner AFP® members	3,887
Associate members	1,041
Allied Professional members	1,279
Student members	524
Retired members	164
FPA Professional Practices	293
FPA Professional Partners	82
<b>TOTAL</b>	<b>12,899</b>

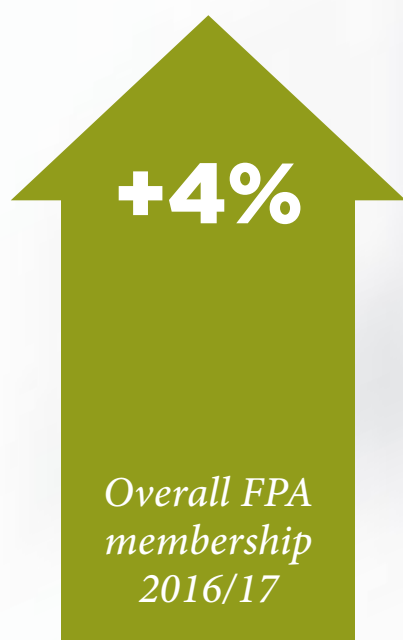
## MEMBERSHIP

As of 1 July 2016, some changes were introduced to FPA membership categories to provide members with a structure that better reflects their needs, and the evolving requirements of our regulatory landscape. The major changes were:

**A new “Associate” category for financial planners was introduced.** The new “Associate” category is a voting category designed for new financial planners, those on their way to becoming a financial planner, or working in a role that supports a financial planner. As voting members, financial planners in this category may benefit from TASA course exemptions and are also bound by the FPA Code of Professional Practice and CPD Policy.

**The previously named “Associate” membership category was re-named “Allied Professional”.** This non-voting category is for those who have a professional interest in financial planning and wish to be connected to the profession.

Overall FPA membership numbers grew, reaching 12,899 at 30 June, a 4% increase.



## MEMBER RESOURCES

In response to an extended period of extraordinary change, we have created additional resources to help members and FPA Professional Practices adapt to the changing regulatory environment. These include a discussion forum, fact sheets, webinars, FAQs, videos and reference articles exclusively for FPA members.

The following tools were updated or added to the FPA website or Member Centre this year:

### 2017 Federal Budget

Once again, the FPA was invited to attend the Federal Budget stakeholder lock up. This enabled us to produce and distribute the 2017 FPA Budget Wrap to members on Budget night. The Budget Wrap provided a brief summary of the Budget announcements that were potentially relevant to members and their clients. The FPA Budget Wrap was followed with an FPA Budget webinar and a live Twitter chat with Dante De Gori.

### Superannuation Reform

We created a dedicated webpage to provide information about the latest superannuation reforms. The page includes summaries of the changes and also includes technical and practical guidance from the ATO.

### FPA and FSC joint AML/CTF forms and guidance

In 2016/17, we worked with the Financial Services Council to update the joint AML/CTF Guidance Note and 12 customer identification forms in line with the FATCA obligations. These forms were developed and are continually reviewed and updated in line with changes in the AML/CTF requirements to streamline customer identification processes, where feasible, in order to help product issuers and financial planners collectively. These forms are for FSC and FPA member use only.

### Toolkits

We revised our FoFA and TASA toolkits and the FPA Advocacy Kit.

## FINANCIAL PLANNING MAGAZINE

*Financial Planning* magazine continues to hold the number one place as preferred publication of FPA members (*Marketing Pulse* report June 2017). The magazine delivers in-depth technical and issues-based articles that FPA members are unlikely to get elsewhere. Every issue of the magazine includes CPD articles which provide members with the opportunity to take an online quiz and earn CPD hours. These articles cover a broad range of topics such as technical investment strategies, tax, compliance, practice management, education, training, policy and regulation.

Each month, the magazine features members who have demonstrated excellence or individuals who have helped shape the profession.

During June 2017, we began the process of readership research among our members to ensure that the magazine continues to remain relevant and valued. The recommendations will be rolled out in the coming year.



## FPA CHAPTERS

The FPA local member engagement channel of 31 Chapters continued to strengthen through the Regional Chapter Committee (RCC) Board Committee and State Chapter Chair meetings, each held three times per year.

In 2016/17, the FPA ran 115 member events, including the FPA National Roadshow, the 2016 FPA Professionals Congress in Perth, CPD seminars, masterclasses and workshops, as well as Future2 social golf days, networking evenings and sporting events.

## *115 member events were run during 2016/17*

The Chapter network, facilitated by the RCC, is in a stronger position for members to engage with their local peers with a clear line of feedback and engagement with the FPA. The RCC has now been confirmed as the Future2 Grants Committee and will work with a local sub-committee to assess the Grant applications in their respective states. The RCC will then select the final Grant recipients.

The RCC saw some changes on the committee, with WA representative David Sharpe CFP® stepping down and appointing Francesca Hughes CFP®; and SA representative Petra Churcher CFP® stepping down and appointing Andrew Harris CFP®.

## FPA PROFESSIONALS CONGRESS

In November 2016, 1,042 delegates from around the country gathered together in Perth for the FPA Professionals Congress. This was the first time since 1994 that the event was held in Western Australia. The 'Future Ready' theme was enthusiastically embraced by the financial planning community.

The sold-out Future2 Gala Dinner and the record attendance at the Women in Financial Planning breakfast were just two of the highlights of the Congress that featured an impressive line-up of speakers including Andrew Denton, Anna Meares OAM, Tracey Holmes, Ange Postecoglou and Catherine McGregor AM.

The 2016 Congress also featured 24 workshops divided across four streams – Evolve, Grow, Engage and Inspire – covering CPD learning across technical, client and staff engagement, practice management and personal development. Also, for the first time, a dedicated Paraplanner workshop was introduced and was very well received.



## FPA NATIONAL ROADSHOW

This year's FPA National Roadshow completed a 33-leg journey around Australia from April to June 2017 and was attended by 2,866 delegates. Each of the events provided an opportunity for financial planning professionals to come together and hear the latest updates on policy and legislation from the FPA, as well as insights on identifying investment opportunities in global markets from Roadshow partner, Platinum Asset Management.

The forthcoming education and professional standards legislation, and the proposals submitted to the Financial Adviser Standards and Ethics Authority (FASEA) by the FPA were a key area of focus at the Roadshow.

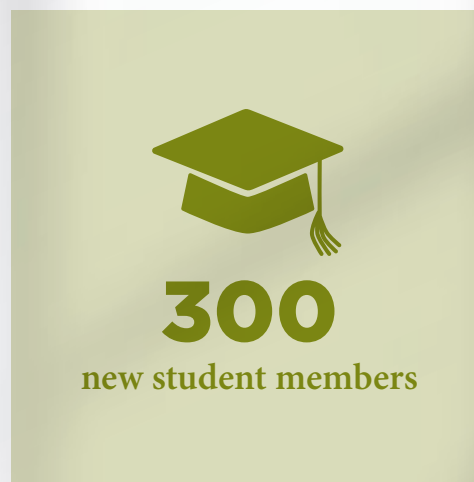
Many of the larger scale events included an interactive element with live polling via an app, allowing immediate delegate feedback on the FPA's proposals. For the first time, we hosted a live streamed event to allow our Launceston members to take part as the Hobart event unfolded.

Each delegate was provided with a practical kit to help them gain a deeper understanding of the new FPA Professional Ongoing Fees Code.

The delegate feedback on the Roadshow was extremely positive with 95% of attendees indicating the roadshow was 'Excellent' or 'Good'.



## STUDENT ENGAGEMENT



Our efforts to raise awareness of financial planning as a desirable career and grow the number of financial planning students in Australia significantly ramped up during 2016/17. The number of universities we actively engaged with and the volume of student outreach activities we took part in, both more than doubled compared to the previous year.

Just before the year end, we produced a series of inspiring videos showcasing three different young financial planners sharing their journeys to becoming a planner and what they love about their jobs. These videos complement our student marketing brochure, and bring to life the opportunities of a career in financial planning. The short videos give a powerful, emotive visual element to present to student groups at various university visits, as well as tools to share widely online, particularly through social media.

Here are some highlights:

- Student market research project successfully completed, with recommendations to begin work on an internship program in 2017/18
- Student membership eligibility criteria reviewed and expanded to allow part-time students who meet the new criteria
- Student membership application process now brought fully online
- In development is a high school presentation covering financial literacy topics, to be implemented for member use in 2017/18.

### NEW FPA MEMBER CENTRE

In May 2017, we relaunched the FPA Member Centre on [fpa.com.au](http://fpa.com.au). The new-look portal houses content specifically for FPA members including fact sheets, toolkits and other resources across policy, professional standards, and FPA brand and CFP® marks guidance. The improved Member Centre allows for a better user experience with an easy-to-use search filter allowing for quick access these resources.

As before, the FPA Member Centre allows for members to register for FPA events, update their details and enhance their Find a Planner profile by adding in a photo and biography. It is also home to our new FPA Online Communities Forum.

### FPA ONLINE COMMUNITIES FORUM

Also in May 2017, we launched a FPA Online Communities Forum housed in our online Member Centre.

*The Forum gives a new way for members to share their valuable input, particularly on policy initiatives.*

The Forum went live to coincide with the development of the new FPA Policy Plan and over a number of weeks, new discussion topics were posted on the Forum to gather member views to help shape the new plan.

## COLLABORATION WITH FINANCIAL EXECUTIVE WOMEN (FEW)



In April 2017, we announced an alliance with Financial Executive Women (FEW) to advance the progression of women in financial planning. Women currently make up 25% of the FPA membership, and only around 20% in the profession.

The collaboration with FEW aims to foster community, innovation and leadership amongst existing female financial planners, as well as encourage more women to choose financial planning as their profession.

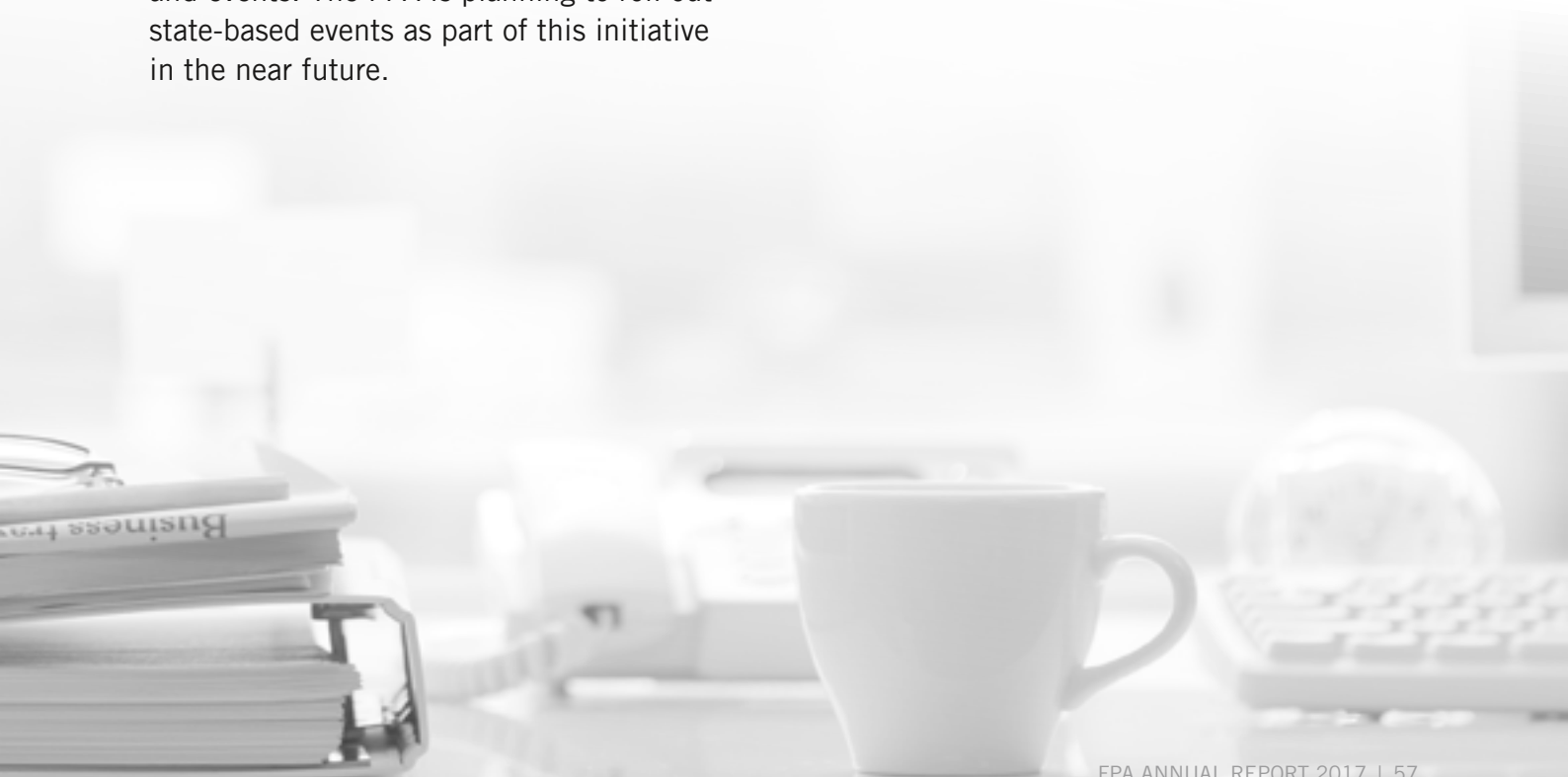
FEW provides structured career advocacy and support programs to help women progress in their careers. As part of our partnership, FPA members receive access to FEW's CPD-accredited programs and discounted rates on FEW membership and events. The FPA is planning to roll out state-based events as part of this initiative in the near future.

## FPA/CANCER COUNCIL PRO BONO PROGRAM



In early June 2017, we were proud to embark on a pilot Pro Bono Financial Planning Referral Service with Cancer Council. The nationally structured referral program helps families affected by cancer who are unable to afford the cost of financial advice, by connecting them with financial planners who can provide their services on a pro bono basis.

The pilot will initially focus on a number of regional priority areas, to ensure help is given to families where there is currently no financial planner to provide assistance. We are looking forward to having many FPA members involved in the program as it rolls out, enabling financial advice support to these families in need.



A black and white photograph of a woman with short blonde hair and glasses, smiling and clapping her hands. She is wearing a white long-sleeved shirt under a patterned vest and a watch on her left wrist. In the background, a white brick wall is covered with numerous small photographs pinned with clips. To the right, another person's hands are visible, also clapping. In the foreground, a desk with a laptop and some papers is partially visible.

## RECOGNITION



ABOVE AND

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*beyond*

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*The FPA LASER 2020 Recognition strategic focus seeks to recognise outstanding FPA members and strengthen the FPA's role in the community through the Future2 foundation and pro bono programs.*

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Our 2016 national award winners were:

**FPA CERTIFIED FINANCIAL PLANNER®**  
Professional of the Year



**Tony Sandercock CFP®**  
*Wetalkmoney*

**FPA Financial Planner AFP® of the Year**



**Cody Harmon AFP®**  
*Meridian Wealth Management, Melbourne*

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**FPA Paraplanner of the Year**



**Cynthia Sercombe**  
*Tupicoffs, Brisbane*

**FPA Professional Practice of the Year**



**ipac Western Australia**

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**Future2 Community Service Award**



**Kathy Havers CFP®**  
*Catalyst Financial Group*

**FPA University Student of the Year Award**



**Bradley Aleckson**  
*Bachelor of Commerce student  
Griffith University, QLD*

## FPA AWARDS

The FPA Awards recognise individuals and practices who demonstrate a commitment to delivering excellent outcomes for clients, and those who have made a notable contribution to their local community. The awards also recognise academic excellence amongst budding financial planners around the country.

This year saw the introduction of two new categories to recognise excellence beyond the individual financial planner. The *FPA Professional Practice of the Year Award* acknowledges the top performing practice in the FPA Professional Practice program, determined by the results of a Business HealthCheck survey. For the first time in the FPA Awards program, excellence in paraplanning was also recognised, through the *FPA Paraplanner of the Year Award*. All the awards were presented at the 2016 FPA Professionals Congress in Perth.

The 2016 categories were:

- FPA CERTIFIED FINANCIAL PLANNER®  
*Professional of the Year Award*
- *FPA Financial Planner AFP® of the Year Award*
- *FPA Paraplanner of the Year Award*
- *FPA Professional Practice of the Year Award*
- *Future2 Community Service Award*
- *FPA University Student of the Year Award*

We are extremely grateful to our judging panel for their role in shaping the award criteria, and ensuring a fair and well-considered assessment process. The 2016 judging panel comprised:

Pippa Elliott CFP®  
Charles Badenach CFP®  
Michelle Tate-Loverly CFP®

Robert Pyne CFP®  
Mark O'Leary CFP®  
Jo Scholz AFP®  
Tania Chau CFP®  
Ben Hatcher CFP®  
Anne Graham CFP®  
Andrew Frith AFP®  
Nicolas d'Emden CFP®  
Joseph Hoe CFP®

## DISTINGUISHED SERVICE AWARDS

*FPA Distinguished Service Awards* recognise exceptional contribution to the work of the FPA and the common good of the profession, through voluntary service to FPA Chapters, Committees or taskforces.

During 2016/17, *Distinguished Service Awards* were presented to:

Petra Churcher AFP®	2017
Anne Graham CFP®	2017
Robert (Bob) Currie CFP®	2017
Brian Quarrell CFP®	2017
Jayson Forrest CFP®	2016
James Brescia CFP®	2016
Julie Matheson CFP®	2016

## GWEN FLETCHER MEMORIAL AWARD

The *Gwen Fletcher Memorial Award* is awarded to the highest achieving student in the CFP® Certification Program each semester. The award honours the memory of the late 'First Lady of Financial Planning' and her lifelong endeavours to champion professionalism within financial planning.

During 2016/17, the *Gwen Fletcher Award* was presented to:

Cameron Obliubek CFP®  
Bronnie Abraham CFP®

### FUTURE2 FOUNDATION



*Future2 is the foundation of the Financial Planning Association. The foundation makes a lasting difference in the lives of young Australians who need it most.*

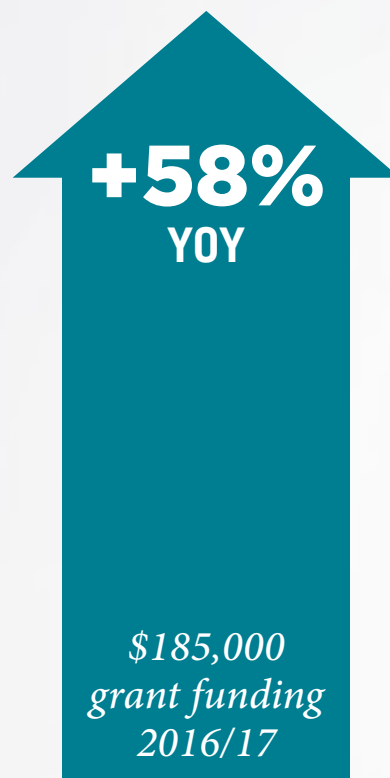
Future2 has continued to flourish as a highly respected charitable foundation with a growing program of grants to support community not-for-profits who provide programs to improve the lives of disadvantaged youths.

#### Grant making

For the 2016/17 year, the Future2 Board increased grant funding by 58% to \$185,000, compared to last year. The increase in funding is the result of generosity of financial planning professionals and many others connected with the profession.

The opening round for each year's *Make the Difference!* Grants is eagerly awaited by not-for-profits in Australia. Last year, 91 completed applications for funding were received, each endorsed by a local FPA financial planner – a measure of their engagement with the communities in which they live and work.

In November 2016 Future2 awarded seven new *Make the Difference!* Grants, one representing each state and each being entitled to a one-year grant.





Future2 Wheel Classic riders



Windeward Bound – Future2 grant recipient



Future2 Yellow Bucket Challenge

### Future2 highlights

- FPA Chapter events raised \$86,700 for Future2 from donations, pledges and raffles through the hard work of our FPA Chapter Chairs
- Donations from FPA members during membership renewals amounted to \$78,379
- Our valued Future2 Partners contributed \$30,000
- The 2016 Future2 Gala Dinner, held in Perth at the FPA Professionals Congress raised \$38,464 with the help of the Perth Chapter fundraising initiatives and corporate pledges
- The 2016 Future2 Wheel Classic took a circular route from Perth via the Margaret River and back and raised \$109,987 after expenses from donations in support of the cyclists, and corporate sponsorship.
- The Future2 Yellow Bucket Challenge was a new initiative implemented by the FPA staff and raised nearly \$20,000
- Future2 director Marianne Perkovic ran the New York Marathon and raised \$12,800.
- The WA Future2 committee raised \$21,900 through the WA Melbourne Cup event.

# Future2 2016/17



## \$86.7k

raised for Future2  
by FPA Chapter events



## \$78k+

donated during FPA  
membership renewals



**+\$38k**

at Future2 Gala Dinner  
during FPA Congress



**\$30k**

contributed by our  
valued Future2 Partners



**\$20k**

raised by Future2  
Yellow Bucket Challenge



**\$109.9k**

raised by 2016 Future2  
Wheel Classic



**\$21.9k**

raised by WA Melbourne Cup  
event run by  
WA Future2 committee



**\$12.8k**

raised by Future2 director  
running NY Marathon





FINANCIAL

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*statements*

*Financial Planning Association  
of Australia Limited*

(Limited by guarantee)

**ABN 62 054 174 453**

*Financial Statements  
for the year ended 30 June 2017*

## *Financial Planning Association of Australia Limited*

ABN 62 054 174 453

### **DIRECTORS**

**N. Kendall**

*Chair*

**M. Broome**

**M. Brown**

**A. Henderson**

**D. Newton**

**M. O'Toole**

**P. Pledge**

**M. Rantall**

**D. Sharpe**

### **COMPANY SECRETARY**

**P. Lovett**

### **Registered Office**

Level 4

75 Castlereagh Street

Sydney NSW 2000

Telephone: 02 9220 4500

Facsimile: 02 9220 4580

### **Solicitors**

Henry William

Suite 2, Level 10

64 Castlereagh Street

Sydney NSW 2000

### **Bankers**

National Australia Bank

330 Collins Street

Melbourne VIC 3000

### **Auditors**

Ernst & Young

200 George Street

Sydney NSW 2000

For the year ended 30 June 2017

### DIRECTORS

The names and short biographies of the Association's directors during the financial year are as follows. Directors were in office for the entire financial year up until the date of this report unless otherwise stated.



#### **Neil Kendall**

CFP®, BBus, Dip FP, FFPA, MAICD

CHAIR (from 19 November 2014)

*Appointed 26 November 2010*

Neil is the Managing Director of Tupicoffs Pty Ltd, an FPA Professional Practice based in Brisbane.

Neil has won a national and two state FPA Value of Advice awards in 2006, as well as being a national finalist in 2009. He was nominated for Australian of the Year in 2011 and 2013. Neil was the Money Management Financial Planner of the Year in 2006 and runner-up in 2009. Neil has qualified in the Masterclass Top 50 in 2006, 2008, 2010 and 2012.

Neil was Treasurer of the FPA Brisbane chapter for four years, and also spent time on the Legislation and Regulation Committee. A CERTIFIED FINANCIAL PLANNER® he has a degree in business, and a Diploma in Financial Planning. He is a Fellow of the FPA and currently the Chair of the Remuneration and Succession Planning Committee of the Board. Neil was a Trustee of the Future2 Foundation. He is the Chair of the Financial Planning Standards Board Council and the Member Advisory Group.



#### **Marisa Broome**

CFP®, Dip FP, B.Ec, GAICD, JP

*Appointed 19 November 2014*

Marisa is the Managing Director of Wealthadvice, an FPA Professional Practice operating in Sydney. Marisa has over 30 years' experience in financial services – with the last 20 years' running her own firm and practising as a financial planner.

Marisa is currently the Chair of the Policy and Regulations Committee and a member of the Audit committee of the Board. Marisa has been an active member of the FPA since its inception, being involved on national committees on Education, Annual Conferences and the Sydney Chapter.



**Matthew Brown**

CFP®, Dip FP, MAICD

*Appointed 18 November 2011*

Matthew is a CERTIFIED FINANCIAL PLANNER® and a Partner in MiQ Private Wealth, one of the largest private wealth planning groups in Australia and has over 27 years' experience in the financial planning profession. Matthew was elected to the FPA Board as a practitioner-elected member at the AGM in November 2011. Matthew is currently a member of the Board Audit and Risk Management Committee, the Governance and Remuneration Committee, and the Chair of the Regional Chapter Committee. Matthew has been an active member of the Gold Coast FPA Chapter since 2000, holding the role as Treasurer for five years and Chapter Chair of the Gold Coast since 2007.

Matthew is a CFP® Practitioner licensed through MiQ Private Wealth under Magnitude. Matthew is a Director on the Board of MiQ Private Wealth Pty Ltd and was appointed the Chair of the Future2 Foundation Ltd in June 2017, the charitable foundation of the Financial Planning Association. Matthew is a member of the Australian Institute of Company Directors.



**Alison Henderson**

CFP®, B.Com, M.Com, Dip FMB, MAICD

*Appointed 22 November 2016*

Alison is a Director and a Practice Principal of SWA Financial Planning (originally known as Symes Warne and Associates), an FPA Professional Practice based in Wollongong, NSW. She has been a CERTIFIED FINANCIAL PLANNER® professional since 1999, and holds a Bachelor of Commerce, two Masters of Commerce (Financial Planning and Economics), and a Diploma of Finance and Mortgage Broking. In addition to her financial planning role at SWA, Alison also oversees compliance, HR management and positive culture development for the business.

Alison has been an active FPA member for over 20 years, during which she has spent time on the Legislation and Regulation Committee. Alison is currently the Chair of the FPA Professional Designations Committee.



**Julie Matheson**

CFP®, LRS®, BA, Dip FP

*Appointed 26 November 2010*

*Retired 22 November 2016*

Julie is a Non-Executive Director, Committee Member and Chair, and an Elected Councillor with over 15 years of board-level experience across public, private and not-for-profit sectors – specifically focused on Australian financial services, local government, education and Indigenous organisations.

Julie has been a practising member of the Financial Planning Association of Australia (previously IAFP) since 1989. Julie has more than 25 years' experience as a CERTIFIED FINANCIAL PLANNER® including roles as Director and Responsible Manager ensuring compliance with corporations law, audits, business development and governance.

Since joining the Board in 2006, her board committee responsibilities have included Audit and Risk, Chair of the Education and Member Services, Member Engagement, and Remuneration and Succession Planning Committee. These committees have engaged in the FPA's transition to be a strong advocate for the profession and the interests of consumers. Julie is the current Chair of the Professional Designations Committee (CFP® LRS®), and a member of the Governance and Remuneration Committee.



**Delma Newton**

CFP®, BEc, BBus, Dip FP, GAICD

*Appointed 19 November 2014*

Delma has been a financial planner for over 20 years and has been a member of the FPA since 1995. She is a CERTIFIED FINANCIAL PLANNER® and holds degrees in Economics and Accounting. Delma runs her own Financial Planning business, Total Portfolio Management Pty Ltd.

Prior to being elected to the FPA board in 2014, Delma had served on the Brisbane Chapter Committee for over 10 years, five of these as Chapter Chair. Delma also served on the FPA Membership Committee. Delma has been the Chair of the FPA Professionals Congress since 2015.



**Mark O'Toole**

CFP®, BA, M.Commerce (Financial Planning),  
Dip FP

*Appointed 18 November 2015*

Mark has over twenty-six years' experience in financial services and has been providing financial advice since 1993, including extensive experience working with executives in senior management roles. He established his own business in 1998 and continues to strive to provide high quality advice aligned with his clients' values and best interests.

Mark has been part of leading advice networks, including Deutsche Bank and Godfrey Pembroke. Within these networks Mark has played key roles as Chairman of both Deutsche Bank's financial advisory board and Godfrey Pembroke's Advisory Board. He is also a registered Tax (Financial) Adviser with the Tax Practitioners Board of the Australian Government.

Mark attended The Stanford Graduate School of Business executive education program in California, USA in February 2013, and is a member of the Australian Institute of Company Directors. Mark is also currently a trustee for the Sunrise Foundation.



**Philip Pledge**

BEC

ADDITIONAL DIRECTOR

*Appointed 1 January 2009*

Philip became a Partner in one of the antecedent firms of Ernst & Young in 1966 and remained a Partner until his retirement from Ernst & Young in 2001. He practised in a range of disciplines over his career, with his special interests being in the field of transaction support and performance improvement. In these roles he was involved in a number of capital raisings by IPO and private equity.

His passion for corporate performance improvement was the skill that led to his promotion through the Ernst & Young organisation to be South Australian Managing Partner from 1979 to 1998 and National Chairman from 1992 to 1994. Philip has held a number of Board positions. Philip is the Chair of the Audit and Risk Management Committee of the Board.



**Mark Rantall**

CFP®, CPA

ADDITIONAL DIRECTOR

*Appointed 1 March 2016*

Mark is a passionate CFP® professional, with a 30-year career in financial services. He served as CEO and Director of the FPA from 2010 to February 2016, spearheading the campaign to raise the standing of Australia's professional financial planners and build consumer trust in the profession. His drive and determination saw the FPA achieve many milestones in this journey.

Prior to the FPA, Mark had already spent several years at the forefront of an evolving profession. He was involved in the creation of The NAB Academy and held the post of Dean of Advice after serving as Managing Director of Godfrey Pembroke from 2003 to 2008. In this role, Mark successfully facilitated more than 200 Godfrey Pembroke advisers to transition to a fee-for-service remuneration model.

Mark was a Trustee of the Future2 Foundation. He is currently a member of the Audit and Risk Management Committee of the Board.



**David Sharpe**

CFP®

*Appointed 22 November 2016*

David has been a financial planner and FPA member since 2003. He is a CERTIFIED FINANCIAL PLANNER® professional, has completed a Diploma in Financial Planning and holds a Bachelor of Commerce (Distinction) from Curtin University.

David runs his own financial planning firm, Globe Financial Planning based in West Perth. In 2016 he was shortlisted for the FPA CFP® Professional of the Year Award. Prior to being elected onto the board David spent four years on the WA FPA Chapter, including two years as Chair. David can often be found in various media roles (TV, radio and print) advocating strongly for the Value of Advice.

David is also a member of the Governance and Remuneration Committee.



**Pene Lovett**

CPA, CA

COMPANY SECRETARY

*Appointed 31 October 2012*

## CORPORATE INFORMATION

### Corporate structure

The Financial Planning Association of Australia Limited (“FPA” or the “Association”) is a company limited by guarantee and does not have share capital. The Association is incorporated and domiciled in Australia.

### Nature of operations and principal activities

The FPA is a not-for-profit membership entity. The principal activities of the FPA during the year were to:

- represent members’ views to Government, regulators, media and other stakeholders, contributing to public policy and legislative decision-making which affects the financial planning profession
- establish, monitor and enforce high professional and ethical standards
- provide appropriate education and continuing professional development for the members
- deliver professional services to members to enhance their businesses and assist with meeting policy, compliance and client obligations
- deliver the CERTIFIED FINANCIAL PLANNER® and other professional designation programs, certification renewals and promotion of the CERTIFIED FINANCIAL PLANNER® brand in Australia
- raise the awareness of Australian consumers of the need for, and value of, professional financial advice.

### Review and results of operations

The FPA recorded a before-tax surplus of \$713,108 for the year ending 30 June 2017 (2016: surplus \$1,079,757) and an after-tax surplus of \$679,855 (2016: surplus \$1,047,404) increasing accumulated members’ funds to \$10,492,121 at 30 June 2017 (2016: \$9,812,266).

### Significant changes

The significant changes that have occurred in the financial year to 30 June 2017 are as follows:

- a significant increase in member numbers and subsequent revenue without increasing our membership fees
- new office lease agreement signed
- the increased provision of services to our members such as the annual roadshows, events and congress
- an investment in student engagement at the university level by providing resources and collateral to encourage financial planning as a career
- the continuing commitment made to the consumer advertising campaign funded from members’ advertising levy contributions
- ongoing investment in advocacy and compliance on behalf of our members
- investment in a consumer content hub called Money and Life.

### Subsequent events

There are no significant subsequent events that have occurred since the financial year ended 30 June 2017.

### Likely developments and expected results

The Association will continue to pursue its principal activities as a not-for-profit membership entity.

### Directors' and senior executives' emoluments

Directors' and senior executives' emoluments for the year are included in note 19 to these financial statements.

### Directors' Meetings

The number of meetings of the directors held during the year and those attended by each director was as follows:

#### *Directors' Meetings 2016-17*

	Eligible to attend	Number attended
Marisa Broome	6	6
Matthew Brown	6	6
Alison Henderson (from November 2016)	3	3
Neil Kendall	6	6
Julie Matheson (to November 2016)	3	3
Delma Newtown	6	6
Mark O'Toole	6	5
Philip Pledge	6	6
Mark Rantall	6	6
David Sharpe (from November 2016)	3	3

## **BOARD COMMITTEE MEMBERSHIP**

Members acting on these committees of the board during the year were:

### **Audit and Risk Management Committee**

Philip Pledge (Chair), Matthew Brown CFP®, Mark Rantall CFP®

*Joined:* Marisa Broome CFP® (March 2017)

The Audit and Risk Management Committee met seven times during the period under review.

### **Governance and Remuneration Committee**

Neil Kendall CFP® FFPA (Chair), Matthew Brown CFP®

*Joined:* David Sharpe CFP® (March 2017)

*Resigned:* Julie Matheson CFP® (November 2017)

The Governance and Remuneration Committee met five times during the period under review.

### **Policy and Regulations Committee**

Marisa Broome CFP® (Chair), Nick Amore CFP®, Frank Camilleri CFP®, Adrian Hanrahan CFP®, Tim Mackay CFP®, Craig Meldrum AFP®, Peter Richards CFP®

*Joined:* Ben Willard CFP®, Andrew Donachie CFP® (July 2016), Jocelyn Chong AFP®, Nerida Cole CFP®, Lou Delfos AFP®, Mark Everingham CFP®, Paul Garner CFP®, Craig Keary, Josh Mennan, Mark O'Flynn AFP®, (March 2017), Susan Peterson CFP® (April 2017)

*Resigned:* Sean Bradley CFP® (December 2016), Jason Bragger CFP®, Andrew Donachie CFP®, Anne Graham CFP® LRS®, William Johns CFP® (November 2016), Craig Keary, Josh Mennan (June 2017)

The Policy and Regulations Committee met four times during the period under review.

## **Professional Designations Committee**

Dario Bartolomeo CFP®, Elson Goh CFP® LRS®, Benjamin Jessop CFP®, Martin McIntosh CFP®, Paul Moran CFP®, Thabojan Rasiah CFP®, Peter Roan CFP® LRS® AEPS® FFPA

*Joined:* Alison Henderson CFP® (Chair) (April 2017), Roxanne Gorman CFP® (June 2017)

*Resigned:* Julie Matheson CFP® (Chair), Paul Garner CFP® (November 2016)

The Professional Designations Committee met five times during the period under review.

## **Professional Standards and Conduct Committee**

Mark O'Toole CFP® (Chair), Guyon Cates, James Cotis CFP®, Adrian Gervasoni CFP®, Claire Mackay CFP®, Dacian Moses CFP®, Jane O'Neil, Stephanie Shrinev (nee Nasonov), Hanny Youcef AFP®

*Joined:* Suzanne Craig (February 2017)

The Professional Standards and Conduct Committee met five times during the period under review.

## **Regional Chapter Committee**

Matthew Brown CFP® (Chair), Mark Alexander CFP®, Susie Erratt CFP®, Gary Jones AFP® FFPA, Todd Kennedy CFP®, Steven O'Donoghue CFP®

*Joined:* David Sharpe CFP® (July 2016), Andrew Harris CFP®, Fran Hughes CFP® (March 2017)

*Resigned:* Vicky Ampoulos (July 2016), Randall Stout CFP®, Petra Churcher AFP®, David Sharpe CFP® (March 2017)

The Regional Chapter Committee met three times during the period under review.

### Indemnification and insurance of directors and officers

The company has an insurance policy that indemnifies all the directors and officers of the company for any breaches in law or claims brought against them in their capacity as directors and officers of the company, except as prescribed by the Corporations Act 2001. The liabilities insured against include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the directors or officers in their capacity as officers of the Association, except as prescribed by the Corporations Act 2001.

The insurance policy limits of liability are \$10,000,000 each and every claim, and \$20,000,000 in the aggregate. The total amount of insurance premiums (excluding indirect taxes) paid for directors and officers in 2017 were \$14,379 (2016: \$13,933). This policy is renewed annually and the current policy expires on 31 March 2018.

### Indemnification of auditors

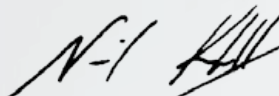
To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

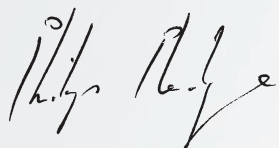
### Corporate governance

The FPA is a non-disclosing entity and is therefore not required to meet all the reporting and corporate governance requirements of a disclosing or listed entity. In recognising the need for the high standards of corporate behaviour and accountability, the directors of the FPA support and adhere to the principles of corporate governance.

Signed in accordance with a resolution of the directors.



Neil Kendall  
Director



Philip Pledge  
Director

Date: 28 September 2017  
Sydney, New South Wales

The directors received the following declaration from the auditors of Financial Planning Association of Australia Limited.



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

### **Auditor's Independence Declaration to the Directors of Financial Planning Association of Australia Limited**

As lead auditor for the audit of Financial Planning Association of Australia Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva'.

Rita Da Silva

Partner

28 September 2017

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	2	<b>13,516,201</b>	13,045,739
Employee benefits expenses	3(c)	<b>(5,461,302)</b>	(4,980,445)
Depreciation and amortisation expenses	3(a)	<b>(223,400)</b>	(206,865)
Conference, event, program and education expenses		<b>(3,755,354)</b>	(3,362,642)
Occupancy expenses	3(b)	<b>(368,157)</b>	(412,027)
Advertising and marketing expenses		<b>(1,045,535)</b>	(921,401)
Administration expenses		<b>(1,178,355)</b>	(1,446,680)
Other expenses		<b>(768,789)</b>	(635,034)
<b>Total expenses from operations</b>		<b>(12,800,892)</b>	(11,965,094)
<b>Surplus from operations</b>		<b>715,309</b>	1,080,645
Strategic advertising – net	3(d)	<b>(2,201)</b>	(888)
<b>Operating profit before income tax</b>		<b>713,108</b>	1,079,757
Income tax expense	5	<b>(33,253)</b>	(32,353)
<b>Operating profit for the year</b>		<b>679,855</b>	1,047,404
Other comprehensive income		–	–
<b>Total comprehensive income</b>		<b>679,855</b>	1,047,404

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Cash and cash equivalents	16	7,542,923	5,295,224
Trade and other receivables	6	241,467	188,694
Other assets	7	12,200,444	13,361,245
<b>Total current assets</b>		<b>19,984,834</b>	<b>18,845,163</b>
<b>Non-current assets</b>			
Plant and equipment	9	32,988	75,280
Intangible assets	10	645,658	319,505
Other assets	7	351,000	–
<b>Total non-current assets</b>		<b>1,029,646</b>	<b>394,785</b>
<b>Total assets</b>		<b>21,014,480</b>	<b>19,239,948</b>
<b>Current liabilities</b>			
Trade and other payables	11	2,226,159	2,199,930
Income tax payable	5	29,395	32,353
Provisions	12	359,630	276,130
Other liabilities	13	7,284,972	6,648,892
<b>Total current liabilities</b>		<b>9,900,156</b>	<b>9,157,305</b>
<b>Non-current liabilities</b>			
Provisions	12	250,448	270,377
Other liabilities	13	371,755	–
<b>Total non-current liabilities</b>		<b>622,203</b>	<b>270,377</b>
<b>Total liabilities</b>		<b>10,522,359</b>	<b>9,427,682</b>
<b>Net assets</b>		<b>10,492,121</b>	<b>9,812,266</b>
<b>Members' funds</b>			
Retained earnings	8	10,492,121	9,812,266
<b>Total members' funds</b>		<b>10,492,121</b>	<b>9,812,266</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Note	Retained Earnings \$	Total Equity \$
<b>At 1 July 2015</b>		<b>8,764,862</b>	8,764,862
Total comprehensive income for the year		<b>1,047,404</b>	1,047,404
<b>At 30 June 2016</b>	8	<b>9,812,266</b>	9,812,266
Total comprehensive income for the year		<b>679,855</b>	679,855
<b>At 30 June 2017</b>	8	<b>10,492,121</b>	10,492,121

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from members and non-members		<b>13,460,558</b>	11,899,794
Payments to suppliers and employees		<b>(12,496,104)</b>	(11,701,522)
Interest received		<b>381,224</b>	450,720
Income tax refund/(paid)		<b>(36,211)</b>	328,673
<b>Net cash flows from operating activities</b>	16	<b>1,309,467</b>	977,665
<b>Cash flows from investing activities</b>			
Funds placed on term deposit – net of maturities		<b>1,445,493</b>	389,499
Purchase of plant and equipment		<b>(12,642)</b>	(9,316)
Purchase of intangible assets		<b>(494,619)</b>	(128,097)
<b>Net cash flows from investing activities</b>		<b>938,232</b>	252,086
<b>Net increase in cash and cash equivalents</b>		<b>2,247,699</b>	1,229,751
Cash and cash equivalents at beginning of period		<b>5,295,224</b>	4,065,473
<b>Cash and cash equivalents at the end of the period</b>	16	<b>7,542,923</b>	5,295,224

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

For the year ended 30 June 2017

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Planning Association of Australia Limited (the "Association"), which is a non-profit organisation, is limited by guarantee. The financial report of the Association for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 28 September 2017.

### *(a) Basis of preparation*

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except when applicable for certain financial instruments measured at fair value through the profit and loss. The concept of accrual accounting has also been adopted in the preparation of the financial report.

The accounting policies have been consistently applied, unless otherwise stated. The financial report is presented in Australian dollars.

### *(b) Statement of Compliance*

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### *(c) New Accounting Standards and Interpretations*

#### **(i) Changes in accounting policy and disclosures**

The accounting policies adopted are consistent with those of the previous year, except for the following:

- AASB 2014-4 *Amendments to Australian Accounting Standards* – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-2 *Amendments to Australian Accounting Standards* – Disclosure Initiative: Amendments to AASB 101

The adoption of the above Standards has not had a material impact on the financial position, performance or disclosures in the financial statements of the Association.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### (c) New Accounting Standards and Interpretations (cont'd)

#### (ii) Accounting Standards and Interpretations issued but not yet effective

Reference	<b>AASB 9</b>
Title	<b><i>Financial Instruments</i></b>
Summary	<p>AASB 9 (December 2014) is a new standard, which replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i>. This new version includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting.</p> <p>Under the new requirements, the four current categories of financial assets will be replaced by two measurement categories, fair value and amortised cost. AASB 9 is effective for annual periods beginning on or after 1 January 2018 and will therefore apply to the Association from 1 July 2018. The Association does not expect this Standard to have a significant impact on the financial statements of the Association.</p>
Application date of standard	1 January 2018
Impact on Association's financial report	No significant impact expected.
Application date for Association	1 July 2018

Reference	<b>AASB 15</b>
Title	<b><i>Revenue from Contracts with Customers</i></b>
Summary	<p>AASB 15 replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related interpretations</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>Step 1: Identify the contract(s) with a customer  Step 2: Identify the performance obligations in the contract  Step 3: Determine the transaction price  Step 4: Allocate the transaction price to the performance obligations in the contract  Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p>
Application date of standard	1 January 2018
Impact on Association's financial report	The adoption of AASB 15 is not expected to materially impact the Association's revenue recognition considering that the majority of FPA's revenue streams are prepaid in advance, which are then deferred accordingly and recognised as revenue over the period they relate to, i.e. up to a year. However, the adoption of AASB 15 is expected to result in a more extensive disclosure requirement when adopted.
Application date for Association	1 July 2018

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### (c) New Accounting Standards and Interpretations (cont'd)

#### (ii) Accounting Standards and Interpretations issued but not yet effective

Reference	AASB 16
Title	<i>Leases</i>
Summary	<p>The key features of AASB 16 are as follows:</p> <ul style="list-style-type: none"> <li>• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>• A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.</li> <li>• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments including inflation-linked payments, and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> <li>• AASB 16 contains disclosure requirements for lessees.</li> </ul> <p>AASB 16 supersedes:</p> <ul style="list-style-type: none"> <li>(a) AASB 117 <i>Leases</i></li> <li>(b) Interpretation 4 Determining whether an Arrangement contains a Lease</li> <li>(c) SIC-15 <i>Operating Leases – Incentives</i></li> <li>(d) SIC-27 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i></li> </ul>
Application date of standard	1 January 2019
Impact on Association's financial report	The adoption of AASB16 will result in the recognition of a 'right-of-use' asset on the statement of financial position together with a related lease liability, notably from its operating lease for Castlereagh St, Sydney premises which is the most significant lease for the Association. The adoption of AASB16 is not expected to result in any significant impact on the financial performance of the Association.
Application date for Association	1 July 2019

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### (c) New Accounting Standards and Interpretations (cont'd)

#### (ii) Accounting Standards and Interpretations issued but not yet effective

Reference	AASB 1058
Title	<b><i>Income of Not-for-profit Entities</i></b>
Summary	<p>AASB 1058 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately.</p> <p>The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>Consequently AASB 1004 Contributions is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.</p>
Application date of standard	1 January 2019
Impact on Association's financial report	The Association is currently evaluating the impact of the new standard.
Application date for Association	1 July 2019

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(d) Accounting judgements, estimates and assumptions*

In applying the Association's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Association. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. These are reviewed on an ongoing basis to ensure the resulting financial information meets the concepts of relevance and reliability. Actual results may differ from the judgements, estimates and assumptions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

#### **Impairment of intangible assets**

The Association assesses impairment of all assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. These include intangible asset performance, expected future use and benefits, technology, economic and political environments, and future product service expectations. If an impairment trigger exists the recoverable amount of the asset is determined. The related carrying amounts are disclosed in note 10.

#### **Make-good provisions**

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with office dismantling, closure and permanent storage of historical residues. The calculation of this provision requires assumptions such as application of environmental legislation, office closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the Statement of Financial Position by adjusting both the expense or asset (if applicable) and provision. The related carrying amounts are disclosed in note 12.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(e) Plant and equipment*

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer equipment	2 to 5 years
Plant and equipment	3 to 8 years
Leasehold improvements	5 years
Furniture and fittings	5 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

### **Impairment and recoverable amount of assets**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, management makes an estimate of the recoverable amount. Where the carrying values exceed the estimated recoverable amount, the asset is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value in use.

As a not-for-profit entity whose future economic benefits of an asset (or class of asset) are not primarily dependent on the assets' ability to generate cash flows, and it would be replaced if the Association was deprived of it, value in use is the depreciated replacement cost. Impairment losses are recognised in the statement of comprehensive income.

### **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(f) Taxes*

#### **Income Taxes**

The Association applies the principle of mutuality to its revenue and expenses in assessing its income tax liability. Under this principle, income derived from members of the Association represents mutual income and is not subject to income tax. Accordingly, expenses in association with mutual activities are not deductible for taxation purposes. All other receipts and payments are classified in accordance with taxation legislation.

Deferred income tax is provided on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax amounts are recognised for all taxable and/or deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The Association offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

#### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### *(g) Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position and for the purposes of the Statement of Cash Flows comprise cash at bank and on hand, short-term deposits and bank bills with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]**

### ***(h) Revenue recognition***

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### **Membership subscriptions and education fees**

The subscription year runs from 1 July to 30 June. Subscriptions are payable annually in advance. Education fees are payable each semester in advance. Only those fees that are attributable to the current financial year are recognised as revenue.

#### **Conferences and seminar fees**

Revenue is recognised when the events take place.

#### **Interest**

Interest is recognised as revenue on an accrual basis using the effective interest method.

### ***(i) Trade and other payables***

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Financial guarantees**

Financial guarantees issued by the Association have not been recognised as a liability. These guarantees are issued in the form of bank guarantees which are assets pledged as security and included as part of the balance of short-term deposits. Refer to note 16(iii).

### ***(j) Trade and other receivables***

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment, if any. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified.

An impairment provision is recognised when there is objective evidence that the Association will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]*****(k) Provisions***

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and, as such, a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

***(l) Employee leave benefits***

Provision is made for employee leave benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long-service leave.

Liabilities arising in respect to wages and salaries, annual leave and any other benefit expected to be settled within twelve months of the reporting date are measured at amounts which are expected to be paid when the liability is settled.

The liability for long-service leave is recognised and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. In determining the present value of future cash outflows, the market yield as at the reporting date on high quality corporate bonds, which have terms to maturity approximating the terms of the related liabilities are used.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(m) Members' funds*

The Association is limited by guarantee and does not have share capital (refer to note 19).

### *(n) Leases*

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

#### **Association as a lessee**

Operating leases are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expenses.

### *(o) Investments and other financial assets*

Investments and other financial assets in the scope of AASB 139 are classified as either financial assets at fair value through profit and loss, loans and receivables, held to maturity investments, or available-for-sale financial assets. Currently the Association holds only 'loans and receivables'.

#### **Loans and receivables**

This category includes trade and other receivables and term deposits in other current assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial asset. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method, less impairment.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(p) Intangible assets*

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end.

The useful lives of the intangible assets recognised are assessed as finite. The intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is calculated on a straight-line basis over the estimated useful life of the intangible assets as follows:

Website development costs      4 years

Computer software                4 years

#### **Website development costs**

An intangible asset arising from development expenditure on the Association website is recognised only when the Association can demonstrate the technical feasibility of completing the website so that it will be available for use, the intention to complete and the ability to use the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the website during its development.

Following the initial recognition of the development expenditure, the asset is to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised over the period of expected benefits from the related development. All development, maintenance and operational expenditure that do not meet the criteria set out in AASB 138 have been treated as expenses incurred in the period.

#### **Computer software**

Computer software is classified as an intangible asset when the criteria set out in AASB 138 are met. Expenditure incurred on computer software is capitalised when it is probable the future economic benefits attributable to the asset will flow to the Association. Computer software recognised relates to applications and systems used by the Association in their operations, including financial, general ledger and member management and platform systems.

### *(q) Comparative figures*

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

## 2. REVENUE

	2017 \$	2016 \$
Membership subscriptions	<b>8,051,995</b>	7,830,735
Conferences and seminars	<b>1,711,714</b>	1,652,814
CFP® course	<b>2,046,702</b>	2,003,061
CFP® certification	<b>538,080</b>	541,515
Specialist education	<b>21,100</b>	28,900
Continuing education	<b>491,338</b>	469,134
Interest received – non-related persons/corporations	<b>423,329</b>	440,839
Other revenue	<b>231,943</b>	78,741
<b>Total revenue</b>	<b>13,516,201</b>	13,045,739

### 3. EXPENSES

	2017 \$	2016 \$
<i>(a) Depreciation and amortisation expenses</i>		
Depreciation and amortisation of non-current assets		
Computer equipment	10,759	9,639
Furniture and fittings	6,011	6,376
Plant and equipment	2,115	2,246
Leasehold improvements	36,048	55,868
Intangible assets	168,467	132,736
<b>Total depreciation and amortisation of non-current assets</b>	<b>223,400</b>	<b>206,865</b>
<i>(b) Occupancy expenses</i>		
Minimum lease payments – operating lease	368,157	412,027
<b>Total occupancy expenses</b>	<b>368,157</b>	<b>412,027</b>
<i>(c) Employee benefits expenses</i>		
Wages and salaries	4,865,477	4,408,281
Workers' compensation costs	1,171	19,532
Superannuation costs	372,465	302,182
Staff training and recruitment	222,189	250,450
<b>Total employee benefits expenses</b>	<b>5,461,302</b>	<b>4,980,445</b>
<i>(d) Strategic Advertising – costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.</i>		
Advertising levies received	1,014,046	987,285
Advertising expenditure	(1,016,247)	(988,173)
<b>Net strategic advertising</b>	<b>(2,201)</b>	<b>(888)</b>

#### 4. AUDITORS' REMUNERATION

	2017 \$	2016 \$
Amount received, or due and receivable, by Ernst & Young for:		
An audit of the financial report of the Association	48,500	48,410
Other services – taxation	15,000	15,000
<b>Total auditor's remuneration</b>	<b>63,500</b>	<b>63,410</b>

#### 5. INCOME TAX

Income tax expense consists of:

	2017 \$	2016 \$
Current income tax	29,395	64,863
Utilisation of previously unrecognised tax losses	–	(32,510)
Adjustment for current tax of prior year	3,858	–
	<b>33,253</b>	<b>32,353</b>

A reconciliation between tax expense and the product of the accounting surplus before income tax multiplied by the Association's applicable income tax rate is as follows:

Accounting surplus before tax from ordinary activities	713,108	1,079,756
At statutory income tax rate of 27.5% (2016: 30%)	196,105	323,927
Net income derived from members not assessable	(167,167)	(314,866)
Expenditure not allowable for income tax purposes	4,485	8,184
Previously unbooked tax losses	–	(32,510)
Under provision in prior years	3,858	–
Recognition of temporary differences	(4,028)	47,618
<b>Income tax expense attributable to operating surplus</b>	<b>33,253</b>	<b>32,353</b>

## 5. INCOME TAX [CONT'D]

	Opening balance at 1 July 2016	(charged)/credited to profit or loss	Closing balance at 30 June 2017
<b>Movement in deferred taxation</b>			
<b>Deferred tax assets</b>			
Deferred revenue	57,471	25,230	82,701
<b>Total deferred tax assets</b>	<b>57,471</b>	<b>25,230</b>	<b>82,701</b>
<b>Deferred tax liabilities</b>			
Accrued interest	(57,320)	4,335	(52,985)
Lease incentive assets	–	(28,747)	(28,747)
Other	(151)	(818)	(969)
<b>Total deferred tax liabilities</b>	<b>(57,471)</b>	<b>(25,230)</b>	<b>(82,701)</b>
<b>Net deferred tax</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Opening balance at 1 July 2015	(charged)/credited to profit or loss	Closing balance at 30 June 2016
<b>Deferred tax assets</b>			
Deferred revenue	48,480	8,991	57,471
<b>Total deferred tax assets</b>	<b>48,480</b>	<b>8,991</b>	<b>57,471</b>
<b>Deferred tax liabilities</b>			
Accrued interest	(48,134)	(9,186)	(57,320)
Other	(346)	195	(151)
<b>Total deferred tax liabilities</b>	<b>(48,480)</b>	<b>(8,991)</b>	<b>(57,471)</b>
<b>Total deferred tax</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Unrecognised deferred tax balances

At 30 June 2017, deferred tax assets have not been recognised on deductible timing differences and tax losses totalling \$454,994 (2016: \$517,273) as it has been assessed that it is not probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised, in accordance with the tax accounting policy set out in note 1(f).

## 6. TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
Trade debtors (i)	48,414	17,319
Allowance for impairment loss (ii)	(968)	(1,338)
	47,446	15,981
Sundry debtors (iii)	194,021	172,713
<b>Total trade and other receivables</b>	<b>241,467</b>	<b>188,694</b>

- (i) Trade debtors are non-interest bearing and generally on 30-day terms.
- (ii) An allowance for impairment loss is recognised when there is objective evidence that an individual debtor is impaired. No individual amount within the allowance for impairment is material.
- (iii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days, with the exception of accrued interest on term deposits, which are payable on maturity. These do not contain impaired assets and are not past due.

## 7. OTHER CURRENT ASSETS

### Current

Prepaid conference expenditure	353,021	299,923
Prepaid chapter expenditure	21,202	38,280
Prepaid capital expenditure	18,155	—
Other prepayments	222,257	99,740
Term deposits maturing between 4-12 months	11,477,809	12,923,302
Lease incentive asset – current	108,000	—
<b>Total other current assets</b>	<b>12,200,444</b>	<b>13,361,245</b>

### Non-current

Lease incentive asset – non-current	351,000	—
<b>Total other non-current assets</b>	<b>351,000</b>	<b>—</b>
<b>Total other assets</b>	<b>12,551,444</b>	<b>13,361,245</b>

## 8. RETAINED EARNINGS

	2017 \$	2016 \$
Balance at the beginning of the financial year	9,812,266	8,764,862
Total comprehensive Income	679,855	1,047,404
<b>Balance at the end of the financial year</b>	<b>10,492,121</b>	<b>9,812,266</b>

## 9. PLANT AND EQUIPMENT

	Computer equipment \$	Furniture and fittings \$	Plant and equipment \$	Leasehold improvement \$	Total \$
<b>Cost</b>					
Balance at 1 July 2015	122,341	72,160	97,148	614,859	906,508
Additions	9,316	–	–	–	9,316
Disposals	(67,510)	(27,428)	(49,966)	(392,458)	(537,362)
<b>Balance at 30 June 2016</b>	<b>64,147</b>	<b>44,732</b>	<b>47,182</b>	<b>222,401</b>	<b>378,462</b>
Additions	6,117	6,526	–	–	12,642
Disposals	–	–	–	–	–
<b>Balance at 30 June 2017</b>	<b>70,264</b>	<b>51,258</b>	<b>47,182</b>	<b>222,401</b>	<b>391,104</b>

### Accumulated depreciation and impairment

Balance at 1 July 2015	(99,448)	(34,112)	(88,674)	(543,878)	(766,112)
Depreciation	(9,639)	(6,376)	(2,246)	(55,868)	(74,129)
Disposals	67,510	27,125	49,966	392,458	537,059
<b>Balance at 30 June 2016</b>	<b>(41,577)</b>	<b>(13,363)</b>	<b>(40,954)</b>	<b>(207,288)</b>	<b>(303,182)</b>
Depreciation	(10,759)	(6,011)	(2,115)	(36,048)	(54,934)
Disposals	–	–	–	–	–
<b>Balance at 30 June 2017</b>	<b>(52,366)</b>	<b>(19,374)</b>	<b>(43,096)</b>	<b>(243,336)</b>	<b>(358,116)</b>

### Net book value

As at 30 June 2016	22,570	31,369	6,228	15,113	75,280
<b>As at 30 June 2017</b>	<b>17,928</b>	<b>31,844</b>	<b>4,113</b>	<b>(20,935)</b>	<b>32,988</b>

As at 30 June 2017, the gross amount of fully depreciated fixed assets still in use is \$76,603 (2016: \$59,245).

## 10. INTANGIBLE ASSETS

	Website development \$	Computer software \$	Total \$
<b>Cost</b>			
Balance at 1 July 2015	337,732	707,227	1,044,959
Additions	77,220	50,877	128,007
Disposals	(232,773)	(339,448)	(572,221)
<b>Balance at 30 June 2016</b>	<b>182,179</b>	<b>418,656</b>	<b>600,835</b>
Additions	322,120	172,500	494,620
Disposals	–	–	–
<b>Balance at 30 June 2017</b>	<b>504,299</b>	<b>591,156</b>	<b>1,095,445</b>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2015	(305,335)	(415,211)	(720,546)
Amortisation	(63,230)	(69,506)	(132,736)
Disposals	232,773	339,179	571,952
<b>Balance at 30 June 2016</b>	<b>(135,792)</b>	<b>(145,538)</b>	<b>(281,330)</b>
Amortisation	(118,356)	(50,111)	(168,467)
Disposals	–	–	–
<b>Balance at 30 June 2017</b>	<b>(254,148)</b>	<b>(195,649)</b>	<b>(449,797)</b>
<b>Net book value</b>			
As at 30 June 2016	46,387	273,118	319,505
<b>As at 30 June 2017</b>	<b>250,151</b>	<b>395,507</b>	<b>645,658</b>

As at 30 June 2017, the gross amount of fully amortised intangible assets still in use is \$61,517 (2016: \$4,918). No impairment losses were recognised during 2017 or 2016.

## 11. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Trade creditors and accruals (i)	<b>1,847,938</b>	1,819,778
GST payable	<b>378,221</b>	380,152
<b>Total trade and other payables</b>	<b>2,226,159</b>	2,199,930

(i) Trade creditors and accruals are non-interest bearing and are normally settled on 30-day terms.

## 12. PROVISIONS

	Restoration of leased properties \$	Annual leave \$	Long service leave \$	Total \$
<b>Balance at 1 July 2016</b>	139,158	259,348	148,001	546,507
Arising during the year	–	359,798	52,189	411,987
Utilised	–	(330,481)	(17,935)	(348,416)
<b>Balance at 30 June 2017</b>	<b>139,158</b>	<b>288,665</b>	<b>182,255</b>	<b>610,078</b>
<b>Current 2017</b>	–	288,665	70,965	359,630
<b>Non-current 2017</b>	139,158	–	111,290	250,448
	<b>139,158</b>	<b>288,665</b>	<b>182,255</b>	<b>610,078</b>
Current 2016	–	259,348	16,782	276,130
Non-current 2016	139,158	–	131,219	270,377
	139,158	259,348	148,001	546,507

### 13. OTHER LIABILITIES

	2017 \$	2016 \$
<b>Current</b>		
Deferred income:		
Conference income and seminar fees	413,403	340,928
Education fees	622,113	611,354
Membership subscriptions	5,409,848	4,890,445
Advertising levies	706,549	656,280
Chapter income	18,673	62,067
Other income	–	83,600
<b>Total deferred income</b>	<b>7,170,586</b>	<b>6,644,674</b>
Lease incentive	114,386	4,218
<b>Total other current liabilities</b>	<b>7,284,972</b>	<b>6,648,892</b>
<b>Non-current</b>		
Lease incentive	371,755	–
<b>Total other non-current liabilities</b>	<b>371,755</b>	<b>–</b>
<b>Total other liabilities</b>	<b>7,656,727</b>	<b>6,648,892</b>

#### 14. COMMITMENTS FOR EXPENDITURE

	2017 \$	2016 \$
<b>Operating lease commitments – Association as lessee</b>		
Future minimum rentals payable under non-cancellable operating leases at balance date but not recognised as liabilities are:		
No later than one year	369,831	389,980
Later than one year but not later than five years	957,512	1,670,033
<b>Aggregated lease expenditure contracted for at balance date</b>	<b>1,327,343</b>	<b>2,060,013</b>

#### 15. CONTINGENT LIABILITIES/ASSETS

There are no contingent liabilities/assets that exist at the reporting date that have a financial effect on this financial report, other than those disclosed in the financial statements (2016:nil).

## 16. CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
<b>(i) Reconciliation to Statement of Cash Flows</b>		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and on hand	7,542,923	4,295,224
Short-term deposits	–	1,000,000
	<b>7,542,923</b>	<b>5,295,224</b>
<b>(ii) Reconciliation of operating profit after income tax to net cash flows from operations</b>		
Operating profit from ordinary activities after income tax	679,855	1,047,404
<b>Non-cash items</b>		
Depreciation and amortisation	223,400	206,865
Net loss on disposal of plant and equipment and intangible assets	–	571
Bad debt (recovery)/expense	(370)	644
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(52,404)	5,399
(Increase)/decrease in other current assets	(635,692)	28,388
Decrease in deferred tax assets	–	–
Increase in trade and other payables	26,229	5,838
Increase in current provisions	83,500	10,324
Increase in current tax liabilities	(2,958)	(32,353)
Increase in other current liabilities	636,081	(717,494)
(Decrease)/increase in non-current provisions	(19,929)	28,701
Decrease in other non-current liabilities	371,755	–
<b>Net cash flows from operating activities</b>	<b>1,309,467</b>	<b>977,665</b>

The Association does not have any bank overdraft or loan facilities available.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Association, and earn interest at the respective short-term deposit rates.

## 16. CASH AND CASH EQUIVALENTS [CONT'D]

### (iii) Assets pledged as security

Included in the balance of term deposits within other current assets is \$127,809, which has been granted as security under the lease of premises. If the Association breaches the lease the landlord may request payment of an amount from the security and apply it to monies owed under the lease.

Also, included in the balance of term deposits within other current assets is \$200,000 being security required for the set-up of the corporate card facility with National Australia Bank.

## 17. RELATED PARTY DISCLOSURES

### Directors

The names of persons who were directors of the Financial Planning Association of Australia Limited during or part of the year are as follows:

M. Broome	D. Newton
M. Brown	M. O'Toole
A. Henderson (appointed on 22 November 2016)	P. Pledge
N. Kendall	M. Rantall
J. Matheson (retired on 22 November 2016)	D. Sharpe (appointed on 22 November 2016)

### Key Management Personnel

The names of persons who were key management personnel of the Financial Planning Association of Australia Limited during or part of the year are as follows:

J. Bacon	B. Marshan
D. De Gori	F. Pacitto
K. Ibrihim	L. Plummer
C. Kossim	J. Tattershall
M. Lohia	S. Weston-Cole
P. Lovett	

Other than those disclosed in Note 18 below, there were no other transactions with any related parties, directors or director-related entities during the year with the exception of out of pocket expense reimbursements in the normal course of business.

## 18. COMPENSATION OF KEY MANAGEMENT PERSONNEL

Compensation paid or payable, or otherwise made available, in respect of the financial year, to all directors and key management personnel of the Financial Planning Association of Australia Limited, directly or indirectly, from the Association or any related party:

	Directors		Executives	
	2017 \$	2016 \$	2017 \$	2016 \$
Short-term	<b>306,132</b>	830,117	<b>1,824,782</b>	1,350,882
Post-employment	<b>28,061</b>	34,407	<b>167,082</b>	128,631
<b>Total</b>	<b>334,193</b>	864,524	<b>1,991,864</b>	1,479,513

### Directors' Compensation

Short-term directors' compensation consists of a fee paid and payable to each director for being a director of the Association. Post-employment directors' compensation consists of the component of director's fee paid and payable as superannuation.

### Executive Compensation

Short-term executive compensation consists of salaries, annual leave paid within the 12-month period, non-cash benefits and bonuses payable. Post-employment executive compensation consists of the component of salaries paid and payable as superannuation.

The remuneration for the Chief Executive Officer ("CEO") of FPA (D. De Gori) (effective March 2016) has been included above as part of executives' remuneration. Prior to that, the remuneration for the previous CEO (M. Rantall) was included in the directors' remuneration considering his role as both the CEO and director of FPA.

### 19. MEMBERS' FUNDS

The Association is limited by guarantee and is prohibited by the Constitution from making distributions to its members. In the event of winding up, the assets of the Association shall be applied in satisfaction of its debts and liabilities and any surplus after such application shall be given or transferred to some other institution or institutions having objects or activities similar to the activities of the Association and whose Constitution prohibits the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Association. The recipient institution or institutions are to be determined by the members of the Association at or before the time of dissolution. Each member is liable to a maximum of \$100 in the event of the Association being wound up whilst they are a member and within one year after they cease to be a member.

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise cash and short-term deposits, receivables and payables. The main purpose of these financial instruments is to generate a return on members' funds. The Association has various other financial instruments such as trade receivables and trade creditors, which arise directly from its operations.

The Association manages its exposure to key financial risks in accordance with the Association's financial risk management policy. The objective of the policy is to support the delivery of the Association's financial targets whilst protecting future financial security.

The Association does not enter into or trade financial instruments for speculative purposes. The main risks arising from the Association's financial instruments are interest rate risk and credit risk.

The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for the identification and control of financial risks rests with the Audit and Risk Management Committee under the authority of the Board.

## 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [CONT'D]

### Risk Exposures and Responses

#### Interest rate risk

The Association's exposure to interest rate risks is minimal as the Association does not have any debt instruments. The only interest rate exposure relates to the cash and term deposit balances.

At balance date, the Association had the following mix of financial assets exposed to Australian variable interest rate risk that are not designated in cash-flow hedges:

	2017 \$	2016 \$
<b>Financial assets</b>		
Cash in bank	<b>7,542,923</b>	4,295,224
Term deposits	<b>11,477,809</b>	13,923,302
	<b>19,020,196</b>	18,218,526

At 30 June 2017, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	<b>Post-tax Profit – Higher/(Lower)</b>	
	2017 \$	2016 \$
<b>Judgements of reasonably possible movements</b>		
+1% (100 basis points)	<b>190,202</b>	182,185
+0.5% (50 basis points)	<b>95,101</b>	91,093
–0.5% (50 basis points)	<b>(95,101)</b>	(91,093)
–1% (100 basis points)	<b>(190,202)</b>	(182,185)

The movements in profit are due to higher/lower interest costs from variable rate cash balances. Exposures arise predominantly from assets bearing variable interest rates as the Association intends to hold fixed rate assets until maturity. Trade receivables and payables are interest-free.

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [CONT'D]

#### Credit Risk

The credit risk on financial assets of the Association which have been recognised on the Statement of Financial Position is generally the carrying amount, net of any allowance for impairment. The Association does not have a significant exposure to any individual counterparty. Receivable balances are monitored on an ongoing basis with the result that the Association's experience of bad debt has not been significant.

It is the Association's policy to enter into money market deposits with reputable counterparties. Management closely monitors the creditworthiness of the counterparties by reviewing their credit ratings and press releases on a regular basis.

#### Net Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, monetary financial assets and financial liabilities approximate their carrying value due to the short-term maturities of these instruments.

### 21. EVENTS AFTER THE BALANCE SHEET DATE

There are no subsequent events that have occurred after reporting date that have a financial effect on this financial report.

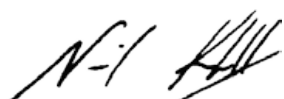
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Financial Planning Association of Australia Limited, we state that:

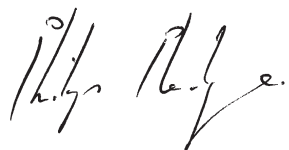
In the opinion of the directors:

- a. The financial statements and notes of the Association are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*; and
- b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.
- c. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Neil Kendall  
Director



Philip Pledge  
Director

Date: 28 September 2017  
Sydney, New South Wales



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## **Independent auditor's report to the members of Financial Planning Association of Australia Limited**

### ***Opinion***

We have audited the financial report of Financial Planning Association of Australia Limited (the "Association"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### ***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### ***Information other than the Financial Report and Auditor's Report thereon***

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Directors for the Financial Report***

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young*

Ernst & Young

*Rita Da Silva*

Rita Da Silva

Partner

Sydney

28 September 2017



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