

2014 ANNUAL REPORT

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SECURING

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*the future*

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FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

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WE, *and our* 10,000 MEMBERS,  
ARE DEDICATED  
TO *helping* AUSTRALIANS  
*enjoy the* PEACE *of* MIND  
THAT *comes from* KNOWING  
*their* FINANCES  
ARE *in* SAFE HANDS.

Our three year transformation from an industry association to a professional association is complete. Our new journey as a professional community standing with Australians for a better financial future has started. This journey has no final destination, only milestones that demonstrate our progress.

Over the last 12 months, our professional body has faced a character test – a test that has been played out through parliamentary inquiries, a dynamic political process and intense national media attention focused on scandal.

Like all character tests, much is revealed through the choices we make.

We made a choice that we would not defend the indefensible. We made a choice to set policy positions that serve public interest. We made a choice to stand with Australians for a better financial future.

### PEOPLE

We have built a team that has a depth of passion for the profession of financial planning that can only come from being emotionally invested with our cause. I am reminded time and time again, that people who are simply financially invested only expect a return, but people who are emotionally invested, seek to contribute.

This emotional investment is evident every single day in Mark Rantall, our CEO. Mark has done more for our organisation than our members may ever truly know. He has led the transformation of the culture of the FPA and built an organisation founded on a values framework that will stand for generations. Our leadership team of Dante De Gori and Pene Lovett provide support that sets the tone for the entire team, and they are great leaders.

Our organisation is built on the discretionary effort of volunteers, our members and supporters who take time away from their professional efforts and families to make their own contribution to our professional community. Whether they are Board members, Chapter Chairs, Committee members or volunteers for Future2, they serve to form part of our professional community, contributing to something bigger than themselves.

It is because of our team that the FPA is, by many measures, a success – thank you!

### RELEVANCE

Relevance means to be connected with the matter at hand, in our case the profession of financial planning. Relevance should be measured by the changes produced for financial planning – the outcomes delivered, and not the noise made.

The FPA has served its membership very well in 2013/14, producing many outcomes for our members, and the public. These include:

- **FPA White Paper 'The Future Profession'** – outlining the steps required to build consumer trust and confidence in our community. This paper has resulted in a formal Parliamentary Joint Committee (PJC) review on education standards within our profession.
- **FPA 10 Point Plan** – publicly highlighting clear recommendations on the steps required to create clear separation between product and advice, and help deliver professional autonomy for financial planners.



“ We made a choice to set policy positions that serve public interest. *We made a choice to stand with Australians for a better financial future.* ”

MATTHEW ROWE, CHAIR

- **National consumer advertising** – raising awareness of FPA members through 41 newspapers, 35 radio stations and online activity that resulted in 75,000 clicks to the FPA website.
- **Building profile** – 3,190 FPA mentions in the media, 75% of which were in consumer-facing media. This is a 150% increase on last year.
- **Tax Agent Services Act** – formal approval by the Tax Practitioners Board as a recognised tax agent association, securing education and experience exemptions for members.
- **FoFA** – improved outcomes for members and consumers, including the banning of commissions on investment and superannuation products, the removal of retrospective fee disclosure statements and the opt-in requirements.
- **Advocacy** – 140 key stakeholder meetings, 24 public submissions, private submissions to Government, Treasury and ASIC, plus countless informal submissions, letters to Government and other stakeholders.
- **Financial sustainability** – our professional body is now in the significant position whereby operating costs are met by individual membership revenue. This means we are beholden to no-one. Our surplus gives us the flexibility to continually invest in member services, education and professional standards.
- **FPSB** – hosted the Financial Planning Standards Board (FPSB) meeting in Australia for the first time, continuing our commitment to help raise standards worldwide and gain insight into the developments happening within our profession overseas.
- **FPA Professionals Congress relaunch** – a bigger and better signature event that attracted record levels of attendance and satisfaction.
- **Cbus Referral Program** – a national rollout, designed to build bridges in our industry and, more importantly, connect Australians with high-calibre financial planning professionals.
- **Significant systems revamp** – implementation of a new membership system, to better align our services with members.
- **Professional accountability** – proactive response to breaches of professional expectation through our professional accountability program. This year resulted in 22 formal complaints, two Conduct Review Commission (CRC) determinations, three sanctions by fine and one member expulsion.

Our efforts speak for themselves. Over the past five years there have been 85 financial planners banned by ASIC. Only six have been CFP® practitioners.

Our journey as a profession started a long time ago, thanks to a lady with tremendous vision and integrity. This year, we had to say a sad goodbye to Gwen Fletcher. We've honoured her memory with the Gwen Fletcher Memorial Award and we will continue to honour it with our ongoing fight to raise education standards in financial planning.

We all stand on the shoulders of those in our professional community who have come before us.



**Matthew Rowe CFP®**

Chair, Financial Planning Association of Australia

“ I ALWAYS RESISTED  
THE IDEA OF GETTING  
FINANCIAL ADVICE

I DIDN'T  
THINK  
I WAS  
**RICH**  
ENOUGH,

I THOUGHT I COULD  
MANAGE THINGS  
ON MY OWN...

**BUT NOW  
I AM THINKING  
ABOUT RETIREMENT**  
– *I clearly need help.*”

**Life can be tricky, but finding a solution doesn't have to be.**

No matter how complex your financial situation may seem, it can be untangled. That's what the best financial planners do – day in, day out. Visit **FPA.com.au** to arrange an appointment with a financial planner of your choice.



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

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

Matthew Rowe CFP®	2011 – present
Julie Berry CFP® FFPA	2007 – 2010
Corinna Dieters FFPA	2005 – 2007
Kathryn Greiner	2004 – 2005
Steven Helmich	2002 – 2004
John Godfrey	2002
John Hewison CFP® FFPA	2001 – 2002
Raymond Griffin	2000 – 2001
Wes McMaster CFP® FFPA	1997 – 2000
Ted Thacker	1996 – 1997
Tony Beal	1995 – 1996
Russell McKimm	1994 – 1995

## FPA PRESIDENTS

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

## FPA CEOs

Mark Rantall CFP®	2009 – present
Jo-Anne Bloch	2006 – 2009
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® FFPA
Julie Berry CFP® FFPA
Corinna Dieters FFPA
James Doogue
Gweneth Fletcher
John Godfrey
Raymond Griffin
Steven Helmich
Ian Heraud CFP® FFPA
John Hewison CFP® FFPA
John McNeil
Bernie Walshe

## FPA FELLOWS

Dominic Alafaci CFP®	Geoff Jakeman
Scott Alman CFP®	Gary Jones AFP®
Rick Arnheim CFP®	Neil Kendall CFP®
Kevin Bailey CFP®	Denis Kennedy CFP®
Julie Berry CFP®	Alan Kenyon
Glen Boath CFP®	Peter Lake CFP®
Max Bourne CFP®	Paul Lawrence CFP®
Paul Brady CFP®	Stefan Lipkiewicz AFP®
Nick Bruining CFP®	Wayne Leggett CFP®
Salvatore (Sam) Calarco CFP®	William Mackay CFP®
Geoff Catt CFP®	Tim Marshall CFP®
Ian Chester-Master CFP®	Wes McMaster CFP®
Bruce Christie CFP®	Laura Menschik CFP®
Greg Cook CFP®	Delma Newton CFP®
Chris Cragg CFP®	Peter Nonnenmacher CFP®
Sue Dahn CFP®	Peter O'Toole CFP®
John D'Alessandri CFP®	Suren Pather CFP®
Christine Davie	Kyle Pearson CFP®
Corinna Dieters	Ian Redpath CFP®
Max Dixon	Peter Roan CFP®
Malcolm Dobson AFP®	David Rosenberg CFP®
Tim Donohue CFP®	David Rowlands CFP®
Ken Drummond CFP®	Nigel Sands CFP®
Peter Dunn CFP®	Colin Scully
Philip Eley CFP®	Rod Scurrah CFP®
Geoff Fry CFP®	Mark Spiers CFP®
Trevor Gibson	Anthony Stedman CFP®
Peter Gilkison CFP®	Nigel Stewart AFP®
Tony Gillett CFP®	Dean Stokes CFP®
David Haintz CFP®	Chris Taylor 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	



## DISTINGUISHED SERVICE AWARDS

### 2014

Kym Harris CFP®  
Michael Farmer CFP®  
Dimitry Kingsford-Smith

### 2013

Scott Hay-Bartlem  
Mark Brimble

### 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 CFP®  
Laurie Pennell CFP®  
Rob Pyne CFP®  
Sue Viskovic CFP®  
Stephen Wait CFP®  
Deidre Walsh CFP®

### 2010

Kerrin Falconer CFP®  
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  
Steve Helmich  
Toni Roan  
Phil Thompson CFP®

### 2006

Ian Chester-Master CFP®

### 2005

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

I am proud of our achievements over the past 12 months, on behalf of consumers, and our members. While challenges remain firmly in our path, we have come a long way as a professional community. It is only right that we celebrate the milestones on our journey to a widely respected profession.

### GOVERNMENT ADVOCACY

This year, the majority of our advocacy efforts have centred around FoFA.

Relentless campaigning over the last 12 months has helped us secure some big wins and improved outcomes, such as the successful banning of commissions on investment and superannuation products, removal of retrospective fee disclosure statements and the opt-in requirement.

We also fought hard to secure some fair course exemptions for FPA members in relation to the tax agent services regime that now applies to financial planners. To help members adjust to, and comply with, these new obligations, we rolled out a comprehensive Tax Agent Services Act (TASA) toolkit campaign via webinar and 32 Chapter events.

We also took a bold step and produced a White Paper publicly outlining our vision for the profession. We summarised our recommendations in the FPA 10 Point Plan, addressing the areas of educational and professional development, consumer protection and enshrinement.

Support from members and industry stakeholders on this initiative has been outstanding and many recommendations are starting to be discussed and implemented. The FPA 10 Point Plan will continue to underpin our policy positions and efforts on advocacy.

### PROMOTING THE PROFESSION TO CONSUMERS

Over the past 12 months, we ramped up our efforts around media exposure, particularly on the consumer side. Consumer media has become a key focus of our media strategy, because it is the only way to reach a larger mass of consumers with our message of professionalism.

We were delighted to secure 3,910 FPA mentions in the media this year, with 75% of these mentions appearing in consumer-facing titles.

Supporting our media strategy were a number of additional consumer activities, including our national advertising campaign, paid online search activity, Financial Planning Week and the Ask an Expert program – all of which have been highly successful in driving high levels of traffic to Find a Planner. We now average over 15,000 hits to Find a Planner per month.

We will continue raising awareness with consumers over the coming year. It is fundamental that they are better educated on where to go for trusted advice.

To prepare us for future increases in website traffic, this year we revamped the consumer website, protected the domain name [www.fpa.asn.au](http://www.fpa.asn.au) and made some back-end enhancements to Find a Planner.



“It is fundamental  
that consumers are  
better educated  
*on where to go for  
professional advice.*”

MARK RANTALL, CEO

### RAISING STANDARDS

July 2013 marked the start of an approved degree requirement for the Financial Planner AFP® membership category. The introduction of this minimum standard will serve to raise education standards and also distinguish FPA practitioner members as financial planning professionals.

Promoting CFP® certification as a symbol of excellence remains a high priority, as always. This year, we rolled out print and online advertising to promote the value in becoming a CFP® professional. We also made significant enhancements to the program itself, providing increased support and a better student experience during study.

### BUILDING COMMUNITY

Over the past 12 months, we have worked to solidify and enhance our professional community. Social media has become an increased area of focus, and engagement has gone through the roof.

I believe it is important that members and the larger community have a platform to freely discuss, debate, and in some cases, defend current issues.

On the events front, we ran 99 Chapter events and this year's FPA National Roadshow attracted over 2,500 attendees across the country.

We also revamped our annual signature event to launch a highly successful 2013 Inaugural Professionals Congress, attracting record attendance. The renewed format and focus generated high levels of satisfaction and a winning formula for our next gathering.

### HEARTFELT THANKS

It has been extremely humbling to see and feel the ongoing support from our members – both in the face of challenge, and in celebration of wins.

Our social media channels continue to be an outlet for members to voice opinion, show support and also set the record straight on issues that can often be misunderstood.

Some members also supported us in our advocacy pursuits, proactively arranging meetings with local members of parliament, using the templates we created.

In the run-up to the September election, we produced an Advocacy Kit to help our members educate their local MPs on the complex issues of FoFA, and the necessary steps required to tackle the many challenges of the financial advice industry. We would not have achieved what we have so far, without the support and commitment of our members.

On the subject of commitment, 1 July 2014 marks the start of a new three year strategy at the FPA. Our strategy is based on the vision that through our members, we stand with Australians for a better financial future. Later in this Annual Report, we will unveil the specific strategies that underpin this vision. But first, it's time to recap on the last 12 months.

Here's to a better and brighter future for all.



**Mark Rantall CFP®, CPA**

CEO, Financial Planning Association of Australia

*The FPA vision:*

THROUGH *our members we*  
STAND *with*  
AUSTRALIANS  
*for a* BETTER *financial*  
FUTURE.

PURPOSE

*To continue to lift standards of professional advice.*

CORE VALUES

*Integrity. Unity. Making a difference.*

PUBLIC BENEFIT

*Financial peace of mind.*

PERSONALITY

*Purposeful. Trustworthy. Energetic.  
Giving. Engaging. Encouraging.*

## THREE YEAR STRATEGY RECAP

Over three years ago in April 2011, we mapped out our goals and strategies for the next three years.

Our progress so far has exceeded even our own expectations – we can all be proud of our achievements in the last financial year.

### PROFESSIONAL RECOGNITION

#### GOAL

Raise community standing of members.

Inspire trust and confidence in the community.

Engage stakeholders in advertising FPA higher standards.

FPA established as financial planning trust mark.

#### STRATEGY

Ensure consumers seek out an FPA professional.

Zero banning of members by ASIC.

Generate sufficient advertising financial support.

Deliver an integrated communications and brand strategy.

### MEMBER FOCUS

#### GOAL

Build a professional community and professional solidarity.

Ensure a relevant and engaged Committee structure.

Engage member communities at a local practice level.

Engage members in their professional community.

#### STRATEGY

Evaluate every engagement point with members.

Align and engage Committee structure to new FPA.

Sign up 1,000 Professional Practices.

Review and measure Chapter performance.

### PROFESSIONAL LEADERSHIP

#### GOAL

Ensure Financial Planner AFP® members are obtaining CFP® certification.

Ensure CFP® designation and experience are world-class.

Ensure Continuing Professional Development (CPD) education is of the highest standard.

Ensure members have knowledge of our professional framework.

#### STRATEGY

Target eligible AFP®s to ensure 90% are studying for the CFP® designation.

Benchmark CFP® designation against global certification standards within top quartile.

Minimum 80% satisfaction rating for CPD and conference sessions.

All members to read Code and undertake ethics training.  
Review audit procedures.

## PEOPLE

### GOAL

Create a commercial performance culture.

Become employer of choice for industry and profession.

Ensure team become dynamic engaging leaders.

Align organisation structure to the new FPA.

### STRATEGY

Review and implement job specifications, appraisals and development plans.

Align FPA values with employee values. Target 80% engagement score.

All team members take ownership of member engagement.

Implement a new organisation structure aligned to a professional association and remove silos.

## FINANCIAL PERFORMANCE

### GOAL

Build a financially sustainable organisation.

Improve operational efficiency.

Member fees to cover operating costs.

Implement prudent cost control measures.

### STRATEGY

Maximise member and non-member income.

Cost-effective and reliable systems and database.

Increase practitioner members to 10,000.

Limit cost to expense ratio to 90% of revenue.

# *Inspiring* TRUST

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We believe that our members deserve widespread respect and recognition for their ongoing commitment to the high standards set at the FPA. Our professional recognition activities are designed to raise awareness about FPA members in the wider community.

#### **RECOGNITION FROM GOVERNMENT AND OTHER STAKEHOLDERS**

Our advocacy efforts during 2013/14 primarily focused on the FoFA reforms, and the application of the tax agent services regime to financial planners. During this time, we contributed to a number of major Senate Inquiries, to ensure a strong relationship with the new Coalition Government.

We successfully negotiated improved outcomes for FPA members in the following areas:

- banned commissions on investment and superannuation products, and the elimination of the possibility of a reintroduction of these commissions, through the FoFA general advice exemption
- removal of retrospective fee disclosure statements
- removal of the opt-in requirements
- exemptions from the Tax Agent Services Act tax law and commercial law course requirements for FPA members, provided they have six years' experience in the last eight, when reregistering with the Tax Practitioners Board.

In response to the debate on Government financial advice policies, this year we also released a White Paper called *'The Future Profession'*. The paper included an FPA 10 Point Plan for raising standards within the profession (see page 32).

We believe this framework will prepare the financial planning community to take the next steps towards a clear separation between product and advice, and professional autonomy for financial planners.

The FPA 10 Point Plan has been widely supported by members and key industry stakeholders and the contents of the plan will form the Foundation of our work in this area.

### NATIONAL CONSUMER ADVERTISING

This year, the FPA entered the next phase of the consumer advertising campaign, with targeted advert placement across a multitude of media. Advertising tactics included national and regional newspapers, radio, online display advertising and digital search activity.

Consumer advertising ran during August 2013, and again in April to June 2014. The campaign targeted consumers aged 40 to 64, with \$150,000 investible assets. It was designed to:

- position the FPA as Australia's leading community of professional financial planners
- differentiate FPA members as a source of trusted and credible financial advice
- help consumers overcome inertia and seek the help of a financial planner
- educate consumers on the difference between long-term strategic advice and a short-term focus on products
- drive traffic to Find a Planner and generate referrals for FPA members and partners.

The overriding objective of the campaign was to reach as many consumers as possible and subsequently secure optimum exposure for FPA members. As such, adjustments and refinements were made throughout the campaign, based on ongoing performance analysis.

### CAMPAIGN HIGHLIGHTS

- 47 regional and metro insertions, across 41 print titles
- 8 insertions in *The Australian Financial Review*, *The Australian* and *The Weekend Australian*
- Radio advertising on 35 radio stations across the country during April and May
- Online display advertising on *SMH*, *The Age*, *Brisbane Times*, *WA Today*, *AFR*, *ASX*, LinkedIn, Smart Company and Switzer, producing over 18,700 click-throughs to the FPA website
- Paid search advertising on Google, generating over 56,000 click-throughs to the FPA website, and over 17,894 visits to Find a Planner
- Online advertising cost-per-click reduced by over 50% compared to last year
- Engagement increased by 20% compared to last year.

During late 2013, we also placed consumer advertising on electronic displays in lifts and foyers of key commercial buildings across Sydney, including the Governor Phillip Tower.

## PRINT CREATIVE

*Are YOU HAPPY with*  
ONE-SIZE-FITS-ALL  
FINANCIAL *advice?*  
*Or ARE YOU an*  
INDIVIDUAL?

**THERE'S ONLY ONE YOU. WITH ONLY ONE LIFE.  
YOU NEED PROFESSIONAL ADVICE.**

No matter how complex your financial situation may seem, it can be untangled. That's what the best financial planners do – day in, day out. Visit [FPA.com.au](http://FPA.com.au) to arrange an appointment with a certified planner of your choice.



*WHEN it comes to*  
*your FINANCES,*  
**DO YOU want**  
*the BLINKERED view*  
*or THE long VIEW?*

**A FINANCIAL PLANNER IS NOT A SALESPERSON.  
THEY ARE A LONG-TERM PROFESSIONAL PARTNER.**

No matter how complex your financial situation may seem, it can be untangled. That's what the best financial planners do – day in, day out. Visit [FPA.com.au](http://FPA.com.au) to arrange an appointment with a certified planner of your choice.



## PRINT PLACEMENT

### National Press

The Australian  
Financial Review  
The Australian Financial  
Review (Weekend)  
The Australian

### Regional Press

#### QUEENSLAND

Brisbane Courier Mail  
Toowoomba Chronicle  
Gold Coast Bulletin  
Rockhampton Morning  
Bulletin  
Sunshine Coast Daily  
Townsville Bulletin  
Fraser Coast Chronicle  
Mackay Daily  
News Mail  
Cairns Post

#### NEW SOUTH WALES

Sydney Morning Herald  
Illawarra Mercury  
Newcastle Herald  
Northern Daily Leader  
Port Macquarie Express  
Coffs Coast Advocate  
Lismore Northern Star

#### ACT

Canberra Times

#### VICTORIA

The Melbourne Age  
Wimmera Mail Times  
Shepparton Adviser  
Geelong Advertiser  
Border Mail  
Bendigo Advertiser  
Ballarat Courier  
Daylesford Advocate  
Gippsland Times

#### TASMANIA

Hobart Mercury

#### SOUTH AUSTRALIA

Adelaide Advertiser  
The Flinders News  
The Transcontinental  
The Recorder  
Whyalla News  
Sunraysia Daily  
Murray Pioneer  
Barrier Daily Truth  
Port Pirie Recorder

#### WESTERN AUSTRALIA

The Western Australian

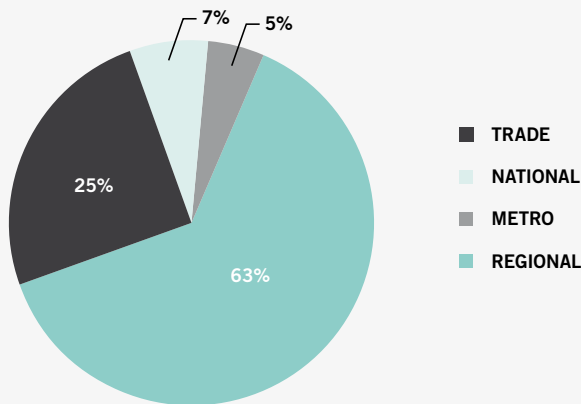
#### NORTHERN TERRITORY

Northern Territory News

MEDIA RELATIONS

Over the course of 2013/14, we secured 3,190 FPA mentions in the media, a 150% increase in media coverage on the previous year. Most notable was the rise in coverage within consumer-facing media, accounting for a huge 75% of media mentions.

Figure 1: 2013/14 coverage by publication type



2013 FINANCIAL PLANNING WEEK

Financial Planning Week is a national consumer initiative and part of a broader campaign to raise awareness about the benefits of financial advice and the high standards of FPA members. In 2013, Financial Planning Week took place from 26 August to 1 September, celebrating its 13th consecutive year.

The campaign actively engaged both members and consumers. Tactics included:

- the launch of an FPA consumer blog and topic of the day from FPA experts
- re-launch of the ‘Ask an Expert’ online consumer forum
- intensive ‘Ask an Expert’ advertising, online and in national and metro newspapers
- distribution of a Chapter Chair media toolkit for additional local coverage
- promotion of real-life success stories via video
- promotion of the FPA consumer brochure
- an integrated social media campaign
- support of high-profile financial experts.

## CAMPAIGN RESULTS

- Over 10,000 visits to Ask an Expert
- Over 10,000 visits to Find a Planner
- Over 2,000 visits to the consumer blog
- 50% of practitioner members receiving profile page views
- 66 pieces of media coverage, reaching a potential circulation of over 200,000
- Over 250 tweets from the FPA, FPA followers and influential bloggers.

## 'ASK AN EXPERT' PROGRAM

The Ask an Expert online forum provided consumers with an opportunity to pose financial planning questions to FPA practitioner members. Each question was submitted online, and the answers were stored in an accessible library for consumers to access at any time.

The first phase of the 2013 Ask an Expert program ran during Financial Planning Week, but was followed up by a second phase in early 2014. Ask an Expert Week ran during 3 to 9 February, with the online forum left active for a six-week period. This year, we stepped up campaign efforts to raise awareness and reach more consumers with this valuable tool.

## CAMPAIGN RESULTS

- Find a Planner visits tripled, reaching 6,711 views during Ask an Expert Week
- 8,704 page views and 1,662 unique web page visits
- High levels of consumer engagement, with average visit duration over five minutes
- 54 page visits through FPA social media channels
- 163 questions posted by consumers on retirement, superannuation, savings and insurance, an increase from 90 the previous year.

FPA AWARDS

Best Practice Awards

The FPA Best Practice Awards recognise financial planners who deliver qualified and trusted financial advice, using the highest standard of ethics, practice standards and professional conduct. In its third year, the Best Practice Awards program attracted a large number of entries and outstanding examples of best practice. The awards were presented at the 2013 Inaugural Professionals Congress.

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 2013 judging panel comprised:

- Michelle Tate-Lovely CFP®
- Shane Lenehan AFP®
- Rob Pyne CFP®
- Mark O'Leary CFP®
- Palminder Sodhi CFP®
- Deborah Rognlien CFP®
- Lisa Weissel CFP®
- Steve Helmich
- Wayne Roggero CFP®

The 2013 National Best Practice Award winners



FPA CERTIFIED  
FINANCIAL PLANNER®  
Professional Best Practice Award  
James Kenny CFP®



FPA Financial Planner AFP®  
Best Practice Award  
Mark Milner AFP®



Future2 Community Service  
Best Practice Award  
Jeremy Gillman-Wells CFP®

### **Distinguished Service Awards**

The 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 2013/14, a Distinguished Service Award was presented to:

- Scott Hay-Bartlem

### **FPA Fellow Awards**

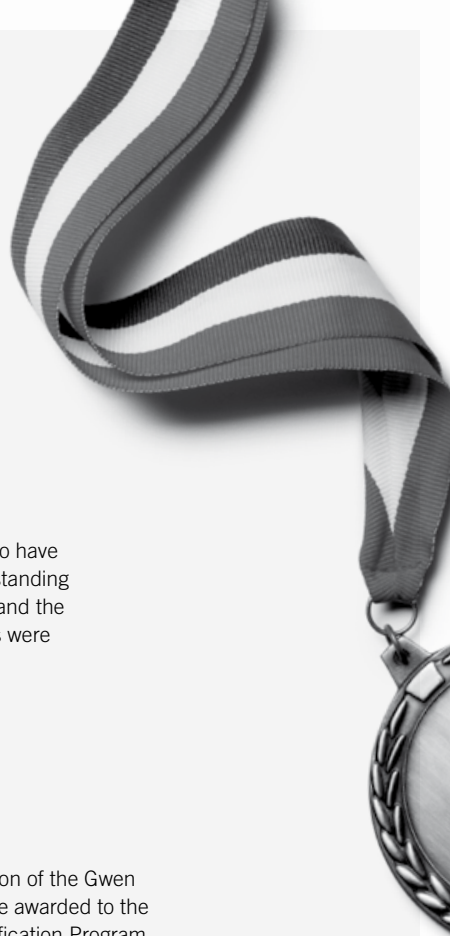
The FPA Fellow Awards recognise those who have demonstrated leadership and made an outstanding and selfless contribution to the profession, and the community. During 2013/14, Fellow Awards were presented to:

- Benjamin Hancock CFP®
- Sue Dahn CFP®
- Kyle Pearson CFP®

### **Gwen Fletcher Memorial Award**

During this year, we announced the institution of the Gwen Fletcher Memorial Award, a prize that will be 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. The winner of the first Gwen Fletcher Memorial Award was:

- Erin Shields CFP®



# *Empowering* MEMBERS





Over the past 12 months, we implemented a number of initiatives to support members with high-quality education, high-profile consumer initiatives and a platform to engage with their professional community.

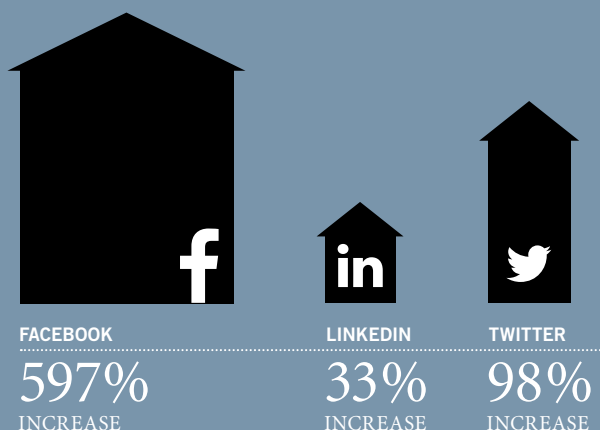
During 2013/14, FPA membership numbers grew steadily, reaching 10,759 at 30 June. The composition of the membership was as follows:

CFP® practitioner member	5,508
AFP® practitioner member	2,547
Associates	1,716
Student Associate	543
Retired Associate	139
FPA Professional Practices	226
FPA Professional Partners	80
<b>Total</b>	<b>10,759</b>

#### MEMBER ENGAGEMENT

A total of 99 Chapter events were held across the country, giving members regular opportunities to get together with local peers throughout the year. The diverse range of events included masterclasses, breakfast briefings, golf days, lunches, dinners, and events tailored to young planners.

We invested more time and energy into our social media channels, as an important platform to facilitate topical debate within the financial planning community. During 2013/14, engagement increased significantly across Facebook, LinkedIn and Twitter.



### PROMOTING MEMBERS TO THE COMMUNITY

- Both member and consumer websites were refreshed this year, creating improved navigation and a better user experience. As part of the refresh, we also secured the [www.fpa.com.au](http://www.fpa.com.au) domain name, to facilitate easy online searching and higher levels of website traffic.
- This year, we held a bigger and better Financial Planning Week, with an Ask an Expert program that was extended into a second phase later in the year (see page 19). Our consumer awareness efforts this year have led to a total of 318,471 visits to Find a Planner profile pages. This is an incredible 20% increase on the previous year.
- We made some significant back-end enhancements to Find a Planner, to prepare the online directory for future demand as we step up our online search advertising efforts. Find a Planner is now linked to the new FPA member database, providing members with an easy way to keep their FPA records current and accurate.

### MEMBER RESOURCES

- We launched the FPA Member Centre, giving members access to one centralised hub of tools and resources, helping them make the most of their membership. Through the Member Centre, members can manage their FPA and Find a Planner profiles, register for events, and renew their membership via a new, simplified process.
- *Financial Planning* magazine continues to be an important resource for our members. In April 2014, we conducted a readership survey, the results of which indicated that 96% of readers rated the content valuable. Major enhancements to the magazine were implemented this year, including a refreshed look and feel ready for a 1 July launch. Digitally, the magazine is now multimedia and available as a print publication, online as a digital pdf download and also via the iPad app.

### EDUCATION

- This year we ran a comprehensive webinar program on the FPA Code of Professional Practice, TASA (Tax Agent Services Act), post-budget implications for financial planners and the technical topics of estate planning and aged care. The webinar program proved a valuable resource for members, attracting high levels of registration and recording requests.

### 2013 INAUGURAL PROFESSIONALS CONGRESS

On 17 and 18 October 2013, the FPA hosted the *Your Inaugural Professionals Congress* at the Sydney Convention and Exhibition Centre. The Congress marked the start of a redeveloped and reinvigorated format for the largest gathering of financial planners in Australia.

This year, we placed increased focus on speaker quality, delegate numbers, social events, exhibition layout and the integration of a sound social media strategy.

The event consisted of three plenary sessions, 24 workshop streams and 17 speakers. The success of the event is reflected in the results:

- Day one trended no.1 on Twitter
- 99% of respondents rated the Congress good or excellent
- 1,018 delegates attended (almost double the previous event)
- 500 guests attended the Future2 Gala Dinner
- 59 dedicated pieces of media coverage across trade and consumer press
- 332 positive emails and comments on the quality and value of the event.

The new look, feel and format of the Congress provided the perfect platform to bring together our professional community. The overwhelming positive response from members will help us shape a bigger and better Congress in 2014.

### **FPA NATIONAL ROADSHOW**

The FPA National Roadshow took place during April, May and June this year, visiting each of the 32 FPA Chapters. Part of the TASA toolkit campaign, the roadshow provided members with an opportunity to hear about the implications of FoFA and TASA for financial planners.

This year, we revamped the roadshow format and provided a sit down, two-course lunch. Free to members, the roadshow offered two CPD points and attracted a record attendance of 2,500.

In capital cities, we partnered with Platinum Asset Management to offer attendees a global economic update and one additional CPD point. The presentation was extremely well received and a regional rollout is now in plan.

### **TASA TOOLKIT CAMPAIGN**

The FPA ran a comprehensive education campaign, to prepare financial planners for the commencement of Tax Agent Services Act (TASA) on 1 July 2014. The campaign was designed to provide education around the key requirements of the TASA, and empower financial planners to continue serving the best interests of their clients.

The campaign comprised three parts:

- a series of four webinars (two for FPA members and two for FPA Professional Practices), during February and March
- a presentation as part of the FPA National Roadshow, giving members the opportunity for face-to-face questions and discussion, during April, May and June
- a TASA online toolkit, consisting of easy reference guides, FAQs and a library of articles. This toolkit was available exclusively to FPA members.

The campaign proved highly valuable to members, attracting high levels of engagement and positive feedback.

# *Upholding* STANDARDS



Professional leadership remains a fundamental part of daily life at the FPA. During 2013/14, we delivered a number of key initiatives to foster the highest possible standards within the financial planning community.

### **CODE OF PROFESSIONAL PRACTICE**

The FPA Code of Professional Practice remains a respected, world-class code of professional regulation and the only full suite of ethics, practice standards and conduct rules for financial planning in Australia.

The Future of Financial Advice (FoFA) reforms and our current professional challenges called for some updates to the FPA Code of Professional Practice this year.

We modified the FPA Code to address the areas of best interest, scaled advice, conflicted remuneration and opt-in. As a result of consultation with Committee members and stakeholders, a number of changes were implemented and took effect on 1 July 2013.

The changes included amendments to four practice standards and nine rules, plus the inclusion of new conduct standards, and one additional rule. Together, they address the professional expectations around best interest, in the areas of fair engagement, professional compliance and professional diagnosis. We also introduced a new practice standard for the professional management of conflicts of interest, under the new FoFA requirements.


We will continue to refine the FPA Code, in accordance with evolving legislative and regulatory changes, to ensure it remains the leading standard for the professional practice of financial planning in Australia.

### **CFP® CERTIFICATION PROGRAM**

The CFP® Certification Program continues to attract a high volume of students looking to reach the highest standard in financial planning education.

The CFP mark remains a symbol of excellence in financial planning, and this year, we stepped up our efforts to promote the value of certification through a print and online advertising campaign. The adverts appeared in *Financial Planning* magazine and *Professional Planner*.

PRINT CREATIVE




# WHY are clients drawn to PLANNERS with CFP® certification?


You might think it's hard to measure the power your reputation can have in attracting new clients. But, in the business of financial planning, there are some convincing statistics you should know.

Clients who seek out a CERTIFIED FINANCIAL PLANNER® or CFP® professional are prepared to pay up to 28% more for their services<sup>1</sup>. Employers are prepared to pay a premium of up to \$40,000 a year for those three letters after your name<sup>2</sup>. And as for reputation, 35% of Australian financial planners are CFP® professionals but only 2% are involved in any ASIC enforcement activity<sup>3</sup>. That says a lot.

It's one explanation as to why CFP® certification is the highest professional designation you can earn in the financial planning industry. **Find out more at [fpa.asn.au/cfp](http://fpa.asn.au/cfp)**



ENROL NOW



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

1 Investment Trends August 2012 Advice and Limited Advice Report survey of over 1,400 consumers; 2 Investment Trends FPA Professional Dividend Report September 2012; 3 FPA and ASIC data for past three years. CFP®, CERTIFIED FINANCIAL PLANNER® and CFP Logo® are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd. Financial Planning Association of Australia Limited is the marks licensing authority for the CFP marks in Australia, through agreement with FPSB. 3C\_CFP\_FO\_1

ONLINE  
CREATIVE



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

Clients are drawn  
to PLANNERS with  
CFP® certification



ENROL NOW >

In 2013/14, focus was also placed on enhancing the student experience of the CFP® Certification Program and increasing the resources available to students. The following initiatives were implemented:

- We developed a pre-admission process for prospective students to inquire about entry and exemptions into the program. Under the new process, all applicants receive a personal response on a tailored pathway to certification.
- Students in CFP 2 and CFP 3 received assignment results and feedback prior to the exam. This provided students with greater clarity and understanding of the unit, to then help them better prepare for their exam.
- Webinars were produced for all units within the program. In all, we delivered 14 assignment-based webinars across three semesters.
- We developed and introduced exam assistance webinars for CFP 2 and CFP 3 in Semester 1, 2014. These were extremely well received.
- We established a technical webinar library on all units of the program, for students to access at any time.
- We provided students with more thorough feedback and introduced a double-marking regime for all failed papers to help students meet the high standards of the program.
- We actively encouraged students to form study groups to help diffuse any feelings of isolation when studying by distance education. The feedback we received has been extremely positive, with students appreciating an opportunity to network within the profession.

The measures we implemented this year have resulted in extremely positive feedback from the program. At the end of each semester, all CFP® certification students were surveyed by Deakin University. The results this year have been outstanding, with 98% of students stating that the course materials were relevant to their work. Over 90% of participants also responded positively about the value of the webinars, and the impact on their learning.

In 2014, we surveyed members who completed the CFP® Certification Program, to ascertain if they would like to be involved in the delivery of the program going forward. The response was very pleasing and we plan to enlist the support of these members in the future, as mentors, assessors, writers and Committee members for the program.

### **CPD AND DESIGNATIONS AUDIT**

The FPA is committed to ensuring high professional development standards are maintained by all practitioner members. As such, we introduced a rolling CPD auditing process that takes place during March and September each year. The audit is primarily designed to educate and assist members in meeting their CPD obligations, but also includes an audit of their usage of the FPA and FPSB brands.

In 2013/14, 382 practitioner members were audited. We have significantly streamlined the process, improved audit communications and reduced turnaround time from 4 to 6 months in 2012, down to just eight weeks.

### PLATINUM ASSET MANAGEMENT SCHOLARSHIP

In October 2013, we launched a new scholarship program designed to incentivise students who are passionate about financial planning, and who have aspirations to build a long-term career in the profession. This collaboration between Platinum Asset Management and the Neilson Foundation will see scholarships awarded to undergraduate students majoring in financial planning as part of their degree.

The new scholarships were introduced through five Australian universities: Deakin, La Trobe, Canberra, Western Sydney and Wollongong, and will result in an award of \$15,000 per student. Platinum Asset Management will also offer prizes for outstanding academic achievement.

### FINANCIAL PLANNING EDUCATION COUNCIL

At 30 June 2014, the Financial Planning Education Council (FPEC) had finalised audits of financial planning degrees at 14 universities/higher education providers against its national university-level curriculum for financial planning. This has included follow-up reviews of three programs. The audit process has been valuable, assisting senior staff to affirm commitment to the degrees, and resulting in a number of significant improvements to several programs.

Discussions are ongoing with further universities to find pathways to accredited degrees, the basic requirement for practitioner membership of the FPA. A further university is close to achieving reaccreditation.

Driving the curriculum is only one part of the FPEC's charter, which was formalised in August 2013, following the conclusion of a pilot phase. New members were appointed to the FPEC in November, and a new Chair, Dr Mark Brimble, Associate Professor at Griffith University, was appointed in November 2013.

The FPEC was established as an independent body, chartered with the responsibility of raising the standard of financial planning education and promoting financial planning as a desirable career of choice for new students and career changers.

FPEC's major roles include:

- driving the development of an Australian Financial Planning university curriculum, based on the Financial Planning Standards Board's global curriculum
- developing accreditation requirements for the range of 'Approved Programs'
- developing accreditation requirements for specialist designations
- establishing expectations of academic participation in the profession
- channelling research activity in financial planning
- promoting the value of university and industry partnerships
- promoting a career in financial planning to university students.

One of the key initiatives this year was the November launch of the FPEC Academic Research Grants Scheme. The scheme is designed to demonstrate commitment of the profession to academia, develop relationships between academia and the profession, support the development of financial planning as an academic discipline, and provide robust evidence to support practice and policy development.



The initial round of grants was co-sponsored by the FPA and Kaplan Professional, and grants of \$5,000 each were awarded to Griffith University and a consortium representing Griffith University, the University of New England and the University of Southern Queensland.

In March 2014, the FPEC launched three new working groups, to explore:

- bridging program options for those with degrees that do not meet the FPEC requirements
- strategies to support potential students in identifying financial planning as a career, and understand the requirements
- development of career pathways to support people entering the profession.

### **CBUS ADVICE REFERRAL PROGRAM**

This year saw the introduction of a landmark national referral program with the Construction and Building Unions Superannuation Fund (Cbus), designed to open new pathways to connect Australians with high-quality financial advice.

Cbus represents over 700,000 industry and general public members, and these formal arrangements provide exciting insight into a future where trusted professionals may openly collaborate with member-based organisations to deliver high-quality outcomes.

The referral program followed an extended pilot period, during which, eligible members of the industry superannuation fund gained access to professional financial planning services delivered by a CFP® practitioner operating within an FPA Professional Practice. The pilot program proved hugely successful and we are subsequently rolling out national arrangements.

### **CPD EDUCATION PROGRAMS**

The demand for CPD accreditation has reached record levels this year, as a result of an increased industry drive for professionalism.

The FPA continues to be recognised as the industry's leading approval body for high quality CPD education. Approximately 90% of all CPD available to financial planners is FPA accredited. Today, 240 Learning and Development professionals working in the licensee community are FPA accredited assessors.

This year, we rolled out a diversified CPD program, through webinars and countless physical events. Our comprehensive suite of live and recorded CPD webinars attracted over 5,200 registrations throughout the year and generated feedback that exceeded an 80% satisfaction rating overall.

The 2013 Inaugural Professionals Congress provided members with two full days of technical and practical learning, plus the opportunity to earn a total of up to 36 CPD points. Members also had the opportunity to attend regular Chapter events in their local area, for additional CPD points.

### THE FPA 10 POINT PLAN

This year, we produced a landmark white paper called The Future Profession, outlining very publicly our vision for the profession, and the steps required to build consumer trust and confidence in the financial advice community.

The paper included the FPA 10 Point Plan, summarising the key points and clearly highlighting our 10 recommendations. The FPA 10 Point Plan addresses the areas of educational and professional development standards, better protection of consumers and the delivery of professional autonomy for Australia's financial planners.

Support from members and industry stakeholders on this initiative has been outstanding and many of the recommendations are already under way. The FPA 10 Point Plan will continue to provide a guiding framework for our efforts around advocacy and professional leadership.

#### 1.

Raise the minimum criteria so that the term financial planner/adviser is restricted under the Corporations Act, and the individual must:

- a. have membership of an ASIC-approved professional body; and
- b. hold minimum education standards of a relevant university degree, and three years experience over a five-year period; and
- c. maintain minimum continuing professional development of 90 CPD points over a triennium.

#### 2.

Amend the law to develop criteria so that ASIC can approve professional bodies, such as those prescribed in the Tax Agent Services Act or the approach proposed by the FSA in the UK.

#### 3.

The immediate establishment of a financial planner education working group (FPEWG) to develop a considered, strategic and holistic financial planner education framework – with the aim of lifting minimum education and experience standards to a relevant university degree, and three years' experience over a five-year period.

#### 4.

The term 'commission' to be defined and then banned under the General Advice exemption.

#### 5.

General Advice should be retermed 'general' or 'product information' and be limited to the provision of 'factual information and/or explanations' relating to financial products.

## 6.

The development and implementation of a co-regulatory design, which recognises and facilitates the role of approved professional bodies in assisting ASIC to achieve its consumer protection and confidence mandates.

## 7.

The establishment of a public register which is managed by ASIC, with a requirement for all financial planners/advisers (including employed representatives) who provide personal advice to be individually registered.

## 8.

ASIC should have suspension powers for financial planners/advisers suspected of material and systemic breaches of the best interest duty. ASIC must have a justifiable position and the financial planner/adviser has the right of appeal to Administrative Appeals Tribunal (AAT).

## 9.

Once the Federal Budget position has been improved, that the Government commence consultation with industry to determine the benefit to have the preparation of an initial financial plan be expressly stated to be tax deductible.

## 10.

A review into lifting the criteria of a sophisticated investor.

### PROFESSIONAL ADVOCACY

The federal election held on 7 September 2013 resulted in a change of Government and, subsequently, significant impact on the issues facing our profession.

#### **Future of Financial Advice (FoFA)**

The new Coalition Government undertook lengthy consultation to implement its 16 recommendations to amend the Future of the Financial Advice (FoFA) laws. These included:

- removal of the opt-in requirement
- requirement for Fee Disclosure Statements (FDS) to apply prospectively, for new clients from 1 July 2013 only
- removal of the requirement to satisfy section 961B(2)(g) (the 'catch-all' provision) from the best interests duty
- changes to allow for scaled advice to be provided within the best interests duty
- amendment of the grandfathering regulations, to remove the current restrictions on trade for financial planners who may change employers/licensees, and to enable fair market competition for financial planners selling their business.

### **Tax Agent Services Act (TASA)**

In relation to the Tax Agent Services Act for financial planners, we have remained a crucial contributor to Government consultations about the regime requirements that came into force on 1 July 2014. We worked hard to ensure any outstanding requirements for financial planners were relevant to the tax advice they provide, and that exemptions from tax law and commercial law course requirements were secured for FPA members with sufficient experience.

Over the year, we liaised closely with the Tax Practitioners Board (TPB) and Treasury on the following elements that were still outstanding:

- education and experience requirements
- professional indemnity
- CPD obligations
- definition of a tax (financial) advice service
- guidance on meeting sufficient number requirements.

### **Government participation**

We have continued to fight for better outcomes for consumers in relation to superannuation, particularly in relation to the excess contributions cap penalty system, and other changes affecting Australian retirement savings announced by the Government in the 2013/14 Federal Budget.

Our commitment to strive for appropriate and improved outcomes on key policy issues manifested in numerous meetings with politicians, Government agencies, and other stakeholder groups during the year. During 2013/14, we participated in 140 key stakeholder meetings.

We also contributed to a number of key Senate Inquiries, including:

- FoFA Amendment Bill (Corporations Amendment (Streamlining of Future of Financial Advice) Bill 2014)
- Performance of ASIC
- Minerals Resource Rent Tax (MRRT)
- Social Services and Other Legislation Amendment Bill

Additionally, we contributed to the following Inquiries:

- AML rule changes
- Federal Budget measures
- Financial System Inquiry
- Regulation of financial products
- Changes to EDR schemes
- Deductions for education expenses
- Financial planner competency.

**Table 1: FPA stakeholder meetings**

MONTH	WHO
July 2013	<ul style="list-style-type: none"> <li>• Financial Service Council (Life Risk)</li> <li>• ASIC</li> <li>• Professional Services Council</li> <li>• Financial Services Council (AML)</li> <li>• ASIC (Code)</li> </ul>
August 2013	<ul style="list-style-type: none"> <li>• ASIC</li> <li>• Financial Service Council</li> <li>• Financial Service Council and Industry Super Network</li> </ul>
September 2013	<ul style="list-style-type: none"> <li>• Financial Service Council</li> <li>• ASIC</li> <li>• Tax Practitioners Board Roundtable Discussion</li> <li>• Boutique Financial Planning Principals' Group</li> <li>• CPA Australia</li> </ul>
October 2013	<ul style="list-style-type: none"> <li>• Industry Super Network</li> <li>• NANZIF Panel Briefing</li> <li>• ASIC</li> <li>• Prime Minister Tony Abbot's Adviser</li> <li>• Assistant Treasurer, Senator the Hon. Arthur Sinodinos</li> <li>• ASIC Roundtable Discussion</li> <li>• Treasury</li> </ul>
November 2013	<ul style="list-style-type: none"> <li>• ASIC – Commissioner Peter Kell</li> <li>• Shadow Assistant Treasurer, The Hon. Dr Andrew Leigh MP</li> <li>• Treasury</li> <li>• ASIC</li> </ul>
December 2013	<ul style="list-style-type: none"> <li>• ASIC Roundtable Discussion</li> <li>• AUSTRAC Financial Consultative Forum</li> <li>• Financial Services Council</li> </ul>
January 2014	<ul style="list-style-type: none"> <li>• AUSTRAC and Financial Services Council</li> <li>• Tax Practitioners Board</li> </ul>
February 2014	<ul style="list-style-type: none"> <li>• FPA / SPAA Joint Industry Workshop on CP212 / 215</li> <li>• AUSTRAC re Draft CDD Rules</li> <li>• Tax Practitioners Board Consultative Forum</li> <li>• Treasury</li> <li>• Treasury (FoFA)</li> <li>• TPB / FPA Communication Liaison Meeting</li> <li>• Superannuation Industry Relationship Network Meeting</li> <li>• Senate Inquiry into ASIC</li> </ul>

MONTH	WHO
March 2014	<ul style="list-style-type: none"> <li>• Industry Super Australia</li> <li>• ASIC</li> <li>• Treasury</li> <li>• ATO Superannuation Industry Advisory Group</li> <li>• Tax Institute of Australia</li> <li>• Tax Practitioners Board</li> <li>• Financial Services Council</li> <li>• FoFA Strategy – Teleconference Meeting</li> <li>• Treasury – General Advice Exemption</li> </ul>
April 2014	<ul style="list-style-type: none"> <li>• Treasurer Joe Hockey's Senior Adviser (TASA)</li> <li>• TPB (Communication Liaison Meeting / Teleconference)</li> <li>• ASIC (Training Register &amp; RG 146)</li> </ul>
May 2014	<ul style="list-style-type: none"> <li>• Treasury (FoFA)</li> <li>• FSC (FoFA Meeting)</li> <li>• Senator Alan Eggleston</li> <li>• Senator Pratt</li> <li>• Treasury (Budget Lock-up)</li> <li>• Treasury (AFLS Work Program Teleconference)</li> <li>• Treasury (FPA Training and professional standards Teleconference)</li> <li>• Treasurer Joe Hockey (Budget Briefing Lunch)</li> <li>• Treasury (TASA Treasury Meeting)</li> <li>• Senate Public Hearing on FoFA</li> <li>• Treasury (TASA)</li> </ul>
June 2014	<ul style="list-style-type: none"> <li>• Tax Institute</li> <li>• Treasurer Joe Hockey</li> <li>• Tax Practitioners Board</li> <li>• ASIC (Quarterly Meeting)</li> </ul>

**Table 2: FPA Government Committee participation**

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Superannuation Round Table	Minister for Financial Services and Superannuation via The Treasury	Consider ideas raised at the Tax Forum around providing Australians with more options during retirement and improving certain superannuation concessions.
Government Superannuation Advisory Committee	Minister for Financial Services and Superannuation	Enable the Government to seek advice on matters relevant to current or prospective superannuation legislation and Government policy proposals which have significant impact for the superannuation industry.

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Self-Managed Superannuation Funds (SMSF) Working Group	Australian Taxation Office	Refine Government policies on the Stronger Super reforms relating to SMSFs.
Personal Tax Advisory Group	Australian Taxation Office	Enable a cross-section of organisations representing the individual taxpayer, key client groups and senior ATO leaders to discuss issues relating to the administration of the tax system and work collaboratively to develop solutions.
Financial Services Industry Partnership (FSIP)	Australian Taxation Office	Provide ATO senior executives and senior representatives of the financial services industry with a forum for dialogue, consultation, and the resolution of issues concerning the administration of the tax system relevant to the financial services industry.
National Tax Liaison Group (NTLG)	Australian Taxation Office	The ATO's peak consultative forum, created to focus on topics of strategic importance to the administration of the tax and superannuation system.
Superannuation Consultative Committee (SCC)	Australian Taxation Office	Focus on high-level aspects of ATO administration, including the implementation of Government policy in superannuation, and ATO strategies and programs involving superannuation and its clients.
Superannuation Consultative Committee Education and Communication sub-committee (SCC&EC)	Australian Taxation Office	Focus on the education and communication aspects of ATO administration, relating to superannuation.
AML/CT Financial Consultative Forum	AUSTRAC	Industry forum to discuss issues and concerns regarding AML/CT obligations.

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Mental Health Memorandum of Understanding Steering Group	Minister for Financial Services and Superannuation via The Treasury	Improve financial services industry understanding of mental health conditions, and address the administrative and risk management practices associated with the provision of insurance. The Group also seeks to improve life insurance outcomes for Australians with mental health conditions.
Superannuation Industry Advisory Group	Australian Taxation Office	Focus on stewardship of the tax and superannuation systems. It commissions the Superannuation Industry Relationship Network (SIRN) to undertake work.
Superannuation Industry Relationship Network (SIRN)		Maintain dialogue that enables clear and mutual understanding of perspectives in the operation of the superannuation systems. Discuss technical issues, environmental scans, and provide industry or Government updates. Undertake work commissioned by the Superannuation Industry Advisory Group (SIAG) identify issues for consultation.
Tax Practitioners Board Consultative Forum	Tax Practitioners Board	Discuss matters relating to its role in regulating tax advice, with its recognised associations.
Tax Practitioners Board Financial Advice Stakeholder 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.



During 2013/14, we produced 24 public submissions, numerous private submissions to Government, Treasury and ASIC, plus countless informal submissions and letters to Government and other stakeholders.

In developing each submission, we undertook consultation with FPA members through formal Committee processes, and other channels, such as at Chapter visits, email, phone and social media. In line with the FPA's policy pillars, each submission must:

- be in the public's best interest
- enhance professional practitioners
- be in line with Government and regulatory requirements
- adhere to the FPA Code of Professional Practice.

To all those members that have contributed in one way or another, thank you for your efforts and constructive feedback.

**Table 3: Public Submissions in 2013/14**

No.	SUBMISSION ISSUE	RECIPIENT	DATE
1	Financial Ombudsman Service process redesign program	FOS	27 Jun 2014
2	Corporations Amendment (Streamlining of Future or Financial Advice) Bill 2014	Senate Economics Committee	30 Apr 2014
3	Exposure Draft – tax (financial) adviser policy documents	Tax Practitioners Board	15 Apr 2014
4	Financial System Inquiry – Interim Report	Financial System Inquiry	31 Mar 2014
5	Statutory Review of the AML/CTF Act 2006 (Cth)	Attorney General's Department	28 Feb 2014
6	Exposure Draft – FoFA Amendments	Treasury	19 Feb 2014
7	Superannuation Consultation Paper	Treasury	12 Feb 2014
8	Federal Budget 2014-15: FPA Submission	Treasury	31 Jan 2014
9	Draft AML/CTF rules relating to customer due diligence	AUSTRAC	23 Jan 2014
10	Social Services and other Legislation Amendment Bill 2013	Senate Standing Committee on Community Affairs	9 Dec 2013
11	Financial System Inquiry: Draft Terms of Reference	Financial Systems Inquiry	5 Dec 2013
12	Mineral Resources Rent Tax (MRRT) and Related Measures Repeal	Senate Economics Legislation Committee	21 Nov 2013
13	Financial Ombudsman Service Fee Review	ASIC	19 Nov 2013
14	Consultation Paper 216 Advice on SMSF: Specific Disclosure Requirements and SMSF Costs	ASIC	18 Nov 2013

No.	SUBMISSION ISSUE	RECIPIENT	DATE
15	Inquiry into the performance of ASIC	Senate Economics References Committee	5 Nov 2013
16	FOS Independent Review	FOS	23 Oct 2013
17	Consultation Paper 212 and Consultation Paper 215: Update to RG146	ASIC	9 Oct 2013
18	Financial Planning Standards Board point of sale discussion paper from IOSCO	International Organisation of Securities Commission	2 Oct 2013
19	Proposed registration requirements for tax (financial) advisers	Treasury	19 Jul 13
20	Reform to deductions for education expenses	Treasury	17 Jul 2013
21	National 2014–2016 Financial Literacy Strategy	ASIC	16 Jul 2013

### PROFESSIONAL ACCOUNTABILITY

The FPA is committed to informing members, and the wider community, of trends, complaint outcomes and disciplinary action within the financial planning profession.

By responding to breaches of professional expectations, we work to instil widespread confidence in a profession that takes a strong position on consumer protection, and the protection of financial planner reputation.

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 FPA investigation of a consumer complaint. The FPA Investigating Officer may report suspected Breaches of the FPA's Code of Professional Practice to the Conduct Review Commission.

In such situations, the CRC Chair may issue a Notice of Charge to the member for the alleged Breach. A CRC Disciplinary Panel is subsequently formed to hear and determine the appropriate level of disciplinary action.

Sanctions can include expulsion and suspension of membership, fines, supervision orders and a formal reprimand.

This year, our Professional Accountability program resulted in the following:

- a total of 22 formal complaints were received
- a total of 24 complaints were finalised
- at 30 June 2014, only seven complaints remained outstanding, down 32% on the previous year
- the CRC delivered two determinations. One member was expelled, and one member sanctioned by fine, following the issuing of an Infringement Notice for a Special Breach (see table 1)

- the CRC issued a further two Infringement Notices for Special Breaches
- there was one Summary Disposal, enabling us to work cooperatively with the member (under the watchful eye of the CRC), to achieve a corrective professional regulatory outcome that fosters the protection of the profession and the community (see table 2)
- we automatically terminated the membership of two FPA members, by operation of the FPA Constitution (see table 3).

We further fostered the protection of the profession and the community by responding to over 330 inquiries from members, consumers and other stakeholders on matters relating to professional standards activity.

During 2013/14, ASIC banned 14 individuals from practising as financial planners. Of these, only one financial planner was a member of the FPA.

**Table 4: CRC Determinations**

CASE NO.	MEMBER DETAILS	MEMBER NO.	EFFECTIVE DATE	MEMBER CATEGORY	SANCTION
CRC 2013_1	Blinded	Blinded	4 Jan 2014	CFP®	Expelled and Costs (Binding Deed)
CRC 2014_1	Blinded	Blinded	9 May 2014	AFP®	Fined

**Table 5: Summary Disposal**

CASE NO.	MEMBER DETAILS	MEMBER NO.	EFFECTIVE DATE	MEMBER CATEGORY	SANCTION
SD 2013_1	Blinded	Blinded	13 Sep 2013	CFP®	Reprimanded, Fined and Professional Education

**Table 6: Automatic Termination pursuant to FPA**

CASE NO.	MEMBER DETAILS	EFFECTIVE DATE	MEMBER CATEGORY	CLAUSE	REASON
Grant Thompson	32066	12 Jun 2014	AFP®	16.1(e)	Banned ASIC
Paul Foster	20533	21 Jun 2014	CFP®	16.1(f)	Failure to pay monetary penalty

# *Fostering* PASSION



# Passion for the financial planning profession fuels inspiration and united purpose at the FPA.

Collaboration and team spirit remain critical in ensuring that all FPA staff members feel valued and have the opportunity to develop professionally, within a nurturing environment and performance management framework.

Over time, our culture has transformed into one that is built on strong values that set the tone for all staff. These values are:

## **Member Focus**

Members are front of mind each day, and we set and meet their expectations reasonably, earning their trust along the way.

## **Integrity**

We are ethical, honest and transparent, and show respect in all our dealings with members, staff and others.

## **Professionalism**

We utilise our skills and experience towards creating a competent organisation, capable of achieving effective outcomes.

## **Accountability**

We take ownership of our actions and commit to delivering end-to-end solutions.

## **Care and Respect**

We support each other, we respect our differences, and we value diversity.

Over the past 12 months, we have realigned internal resources to help us adapt to the changing needs of our members. We continued with regular staff meetings to facilitate open dialogue and the contribution of ideas. Quarterly performance awards were issued in recognition of staff members who excelled in their roles and set exceptional standards in the workplace.

The results of our 2013/14 annual staff satisfaction survey indicated that staff satisfaction has increased to 4.8 out of five, an increase from 4.64 the year before. The survey also revealed that 100% of staff members enjoy working at the FPA and feel that the FPA is moving in the right direction.



The Memorandum of Understanding signed in May 2013, underpinned a move to put the Future2 Foundation – and the notion of giving back – at the heart of the FPA's professional community. This year, FPA directors Patrick Canion CFP® and Mark Rantall CFP® joined the Future2 Board.

Thanks to Board support and a closer working relationship between Future2 and the FPA, many FPA members participated in Future2 fundraising activities, or volunteered their time and skills to support the Foundation's work with young Australians who are disengaged, disadvantaged and in need.

### THE HIGHLIGHTS

- FPA members donated \$21,000, when renewing their 2013/14 membership.
- FPA members supported 62 out of 68 grant applications this year. In November, \$60,000 in grants was awarded to community projects, bringing the total grant amount to \$320,000 over the last seven years.
- Sponsored by Iress, the Future2 Gala Dinner in October provided a sparkling backdrop for the announcement of 2013 grants. Over \$16,000 was raised during the evening, and at the FPA 2013 Inaugural Professionals Congress.
- The annual Bulls & Bears Charity Ball in Adelaide, jointly run by the Rotary Club of Adelaide and the FPA South Australia Chapter, raised \$8,500 for Future2.
- The Western Australia Chapter celebrated Melbourne Cup day, raising an outstanding \$25,000 for Future2. Melbourne Chapter held their signature AFL Grand Final Lunch, also raising a substantial sum for the Foundation.
- Financial planners took to two wheels for a fourth year, with the Future2 Wheel Classic cycle ride from Melbourne to Sydney in October. Over \$100,000 was raised from donations, sponsorship and seminar registrations.

Future2 has committed \$70,000 in grants for 2014, to be awarded to community projects aligned with the Future2 mission.

*We are* DRIVEN  
*by our* PASSION  
*and* COMMITMENT *to*  
CHANGING *people's lives*  
*for the* BETTER, *be it*  
*through* SOUND *financial advice*  
*or by* GIVING BACK  
*to the* COMMUNITY  
*through FPA's* FUTURE2 FOUNDATION.





# *Increasing* MOMENTUM



The FPA returned a healthy net operating surplus in 2013/14, resulting from a number of member-focused initiatives, ongoing process improvement and prudent cost management.

This year, the financial highlights included:

- Steady membership growth, due to an increased industry drive for professionalism and the introduction of an approved degree requirement from 1 July 2013.
- The implementation of cost control measures, creating substantial savings in operating costs.
- Increased demand for FPA CPD accreditation as more financial planners seek high quality continued professional development.
- Continued consumer advertising where all levies collected were put towards further enhancing the community standing of our members. We supplemented this contribution with almost \$200,000 from operating surplus.
- Significant investment in revamping our signature annual event, to launch a bigger and better 2013 Inaugural Professionals Congress.
- Record enrolments into the CFP® Certification Program.
- The implementation of iMIS, a member-centric Customer Relationship Management (CRM) system to better track and manage our interaction with current and future members.
- The provision of free member roadshows for all FPA members.
- Ongoing review of systems and processes leading to increased productivity and the tools to better serve our members.

1 July 2014 marked the start of a new three year strategy.

Over the last three years, we achieved great things on behalf of consumers, our members and the profession. During our next chapter, we will play a more active role in strengthening our professional community and connecting it with Australians who need our help.

We look forward to reporting our progress next year.

### CONNECTING AND UNITING MEMBERS

GOAL	STRATEGY
Increase member satisfaction by 10% per annum.	Ensure FPA business plan activity delivers on key member priorities.
Increase event participation by 10% per annum.	Identify and promote events relevant to the needs of members.
Create an engaging culture within the professional community.	Review and refine our two-way member communication strategy.

### GROW FUTURE CFP® PRACTITIONER PIPELINE

GOAL	STRATEGY
Attract career changers and students into CFP® certification program.	Create a better mapped out pathway to CFP® certification and job opportunities.
Promote CFP® designation as a ticket to practice.	Identify stakeholders and develop relevant strategies.
Increase engagement with universities, based on FPEC strategy.	Expand universities, courses and students enrolling in FPEC courses.

### CONNECTING CONSUMERS

GOAL	STRATEGY
Promote awareness of the CERTIFIED FINANCIAL PLANNER® mark.	Increase volume of consumers connecting with FPA members and FPA Professional Practices.
Promote FPA as a source of consumer referrals.	Increase Find a Planner searches and continually measure traffic.
Establish FPA as a consumer hub.	Develop programs and education for the FPA consumer site.

## THE FPA VISION:

*Through* **OUR MEMBERS**  
**WE STAND** *with Australians*  
*for a* **BETTER financial FUTURE.**


### FINANCIAL

GOAL	STRATEGY
Increase membership across all categories.	Develop and implement a member growth strategy.
Improve operational efficiency.	Ensure FPA operates as one team through collaboration.
Ensure revenue growth and cost containment.	Target 5% surplus of practitioner member revenue.

### PEOPLE

GOAL	STRATEGY
Maintain a commercial performance culture.	Continue focus on management and appraisal training.
Become an employer of choice for the industry and profession.	Target 80% staff satisfaction score.
Maintain a positive and engaging workplace.	Ensure staff satisfaction is maintained at the highest possible level.

**“I USED TO THINK  
I WAS PRETTY SMART  
WITH MONEY,**

 **BUT THESE DAYS  
YOU NEED A DEGREE  
IN ROCKET SCIENCE  
TO FIGURE THINGS OUT  
IT'S SO COMPLEX!  
I HATE TO THINK HOW MUCH  
*money I may have lost...*”**

**Life can be complex, but working it out doesn't have to be.**

It's hard to keep abreast of the latest in the markets, rules and regulations, but it can be done. That's what the best financial planners do – day in, day out. **Visit [FPA.com.au](http://FPA.com.au)** to arrange an appointment with a financial planner of your choice.



FINANCIAL PLANNING  
ASSOCIATION OF AUSTRALIA

Financial Planning Association of Australia Limited

## 2014 FINANCIAL STATEMENTS

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For the year ended 30 June 2014

### 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.



**Matthew Rowe**

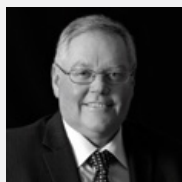
CFP®, CPA (FPS), GAICD, BEc, Dip FP, GradDipAcct  
Chair and Additional Director

*Appointed 30 November 2007*

Matthew is Managing Director of Hood Sweeney and has 17 years' experience in the financial planning profession. Matthew was elected to the FPA Board in 2007 as a practitioner elected member and subsequently appointed the Chair of the Board at the AGM in November 2010. Matthew is currently Chair of the Board Governance and Remuneration Committee.

Matthew has also worked on a number of FPA committees including: Chair of the Board Member Engagement Committee, Chair of the Board Strategy Working Group, Chair of the FPA committee responding to the PJC (Ripoll) Inquiry, Chair of the FPA Financial Planner Remuneration Committee, Chair of the Board Professionalism Committee, Chair of the Professional Conduct Committee and Chair of the Principal Representatives Committee.

Matthew is also a current Director and Trustee of Future2, the charitable foundation of the Financial Planning Association.



**Mark Rantall**

CFP®, CPA  
Director and Chief Executive Officer

*Appointed 1 July 2010*

Mark is the Chief Executive Officer of the FPA and a CERTIFIED FINANCIAL PLANNER® professional. Following a 25-year financial services career, he was appointed by the FPA Board in 2010 to lead the FPA in raising the standing of Australia's professional financial planners.

In his time at the FPA, Mark has achieved key constitutional changes to the FPA membership structure to focus on individual practitioners and secured more than \$2 million of funding from members for a national consumer advertising initiative. In addition, Mark has spearheaded the campaign to raise awareness of the higher standards of FPA members to the government, media and other industry stakeholders on behalf of the FPA's 8,500 practitioner members and the five million clients they advise.

Prior to the FPA, Mark 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 in 2006.



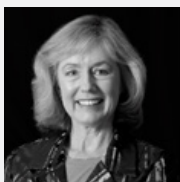
**Bruce Foy**  
B.Com LL.B, FAICD  
Additional Director  
*Appointed 1 January 2006*

Bruce is a professional non-executive director and has served on a number of public and private boards. Previously Bruce was managing director and country manager for Australia of ING Bank N.V., and over 25 years held a number of chief executive roles in wholesale and investment banking, and stockbroking. He was admitted as a barrister to the Supreme Court of New South Wales in 1989, and he is a Fellow of the Institute of Company Directors. In addition to being a director of the FPA, Bruce is currently a director of Avant Group Holdings Limited, Avant Insurance Limited, the Doctors' Health Fund Limited and Chairman of SMSF Owners' Alliance Limited.



**Louise Lakomy**  
CFP®, MBA, LRS, GDFP, GDCCN, BN, JP  
*Appointed 21 November 2008*

Louise Lakomy is currently working as an Executive Financial Planner at Westpac Private Bank. Previously she was Principal of Investment Advice at Yellow Brick Road Investment Services, a Senior Financial Adviser with St George Private Bank and Lanham & Associates, a boutique advisory firm. Louise has a Master of Business Administration majoring in Finance and Funds Management and a Graduate Diploma in Personal Financial Planning. Louise has been actively involved in the FPA including holding the posts of FPA Sydney Chapter Chair from 2004-2008, Sydney Chapter treasurer 2003, a member of the FPA Careers Expo Committee from 2003-2009, Chair of the National Conference Committee in 2009, a member of the FPA Financial Planner Remuneration Committee 2010 and she is currently a member of the Audit and Risk Management Committee and the Financial Planning Education Council.



**Julie Matheson**  
CFP®, BA, Dip FP  
*Appointed 26 November 2010*

Julie has been a member of IAFP/FPA since 1989, and one of the first of 200 CFPs to be registered in Australia in 1992. Julie originally started her career in financial planning as a dealer's representative in 1987 and over the years has worked as a representative for small and large licensees. More recently she owned and managed a small licensee for 10 years until the business was sold. Julie joined Apt Strategy as a representative in 2010. In 2012 Julie graduated from University of Western Australia with a Bachelor of Arts degree in political science, international relations and history. She also completed the FPA's LRS® Life Risk Specialist designation unit in 2012.

Julie was first elected an FPA Board Member in 2006, with a short break in 2010. She was re-elected in 2010 and again in 2013. Julie has served as the Perth Chapter Chair from 2005-2006 including committee appointments over the past 20 years in the areas of regulations, the Diploma of Financial Planning DFP8, PI insurance, SOA and risk management. Her board committee responsibilities have included Audit, Chair of the Education and Member Services, Member Engagement, Remuneration and Succession Planning, and currently Chair of the Professional Designations Committee.

Julie provides specialist consultancy to Aboriginal trustees in the Pilbara identifying financial needs of members, and is an elected member for the City of Subiaco.

For the year ended 30 June 2014



**Matthew Brown**

CFP®, Dip FP, MAICD

*Appointed 18 November 2011*

Matthew is Practice Principal and CERTIFIED FINANCIAL PLANNER® professional at MiQ Private Wealth, one of the largest private wealth planning groups in Australia, and has over 25 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. Matthew has been an active member of the Gold Coast FPA Chapter since 2000, holding the role as Treasurer for five years, and more recently Chapter Chair of Gold Coast since 2007.

Matthew is a CFP® practitioner licensed through MiQ Private Wealth under Magnitude. Matthew also holds the position of Chairman of Broadbeach Alliance Pty Ltd, a not-for-profit organisation that runs and controls the precinct and events within Broadbeach on the Gold Coast. Matthew is a member of the Australian Institute of Company Directors.



**Philip Pledge**

BEC, FCA

**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 1992-1994. Philip has held a number of Board positions. Philip is the Chair of the Audit and Risk Management Committee of the Board.



**Patrick Canion**

CFP®, MAppFin, GAICD, Dip FP, F Fin

*Appointed 18 November 2011*

Patrick is Chief Executive Officer of ipac Western Australia and has 29 years' experience in financial services. Patrick was elected to the Board in November 2011 as a practitioner elected representative. He is currently Chair of the Interim Regional Chapter Committee.

As well as a Master in Applied Finance and Investment degree, Patrick is a graduate of the Company Director Course. He is the past President of the Western Australian Club Inc, a leading business and professional association based in Perth. Patrick has also acted as an expert witness.

Patrick is also a current Director and Trustee of Future2, the charitable foundation for the Financial Planning Association.





**Neil Kendall**

CFP®, BBus, Dip FP, FFPA, MAICD

*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® practitioner, he has a degree in business, and a Diploma in Financial Planning. He is a Fellow of the FPA and a Member of the Australian Institute of Company Directors. Neil is currently a member of the Remuneration & Succession Planning Committee of the Board and Chair of the Policy and Regulations Committee of the Board.



**Peter O'Toole**

CFP®, FFPA

*Appointed 26 November 2010*

Peter has worked in the financial services industry since 1982. In the early 1980s Peter and several colleagues established and developed one of the first national securities licensees.

From 1987 to 2001 Peter worked with Deutsche Bank (formerly Bain & Company) where he:

- established the Melbourne office in 1987
- worked as a successful adviser
- became Director and Head of Financial Planning in 1996 (and later in addition the Portfolio Management Division), a position he held until the businesses were sold in 2001.

Since 2001 Peter has been licensed through Godfrey Pembroke Ltd as a full-time adviser in his own practice in Melbourne, Portfolio & Wealth Management Pty Ltd. Prior to Peter being elected to the Board he served for a number of years as a member of the FPA's Strategic Policy Committee as well as on various task forces and working groups dealing with policy/regulatory issues. Peter is currently the Chair of the Board Professional Standards and Conduct Committee and a member of the Audit and Risk Management Committee.

## COMPANY SECRETARY

**Pene Lovett**

*Appointed 31 October 2012*

For the year ended 30 June 2014

## CORPORATE INFORMATION

### CORPORATE STRUCTURE

The Financial Planning Association of Australia Limited (FPA) 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 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® (CFP®) brand in Australia
- raise the awareness of Australians of the need for, and value of, professional financial advice.

### REVIEW AND RESULTS OF OPERATIONS

The FPA recorded a before tax surplus of \$932,055 for the year ended 30 June 2014 (2013: surplus \$1,277,976) and an after tax surplus of \$980,524 (2013: surplus \$1,413,047) increasing accumulated members' funds to \$8,320,318 (2013: \$7,339,794) at 30 June 2014.

### SIGNIFICANT CHANGES

The significant events that have occurred in the financial year to 30 June 2014 are as follows:

- the increase in member numbers and revenue without increasing membership fees
- the continuing investment made in advertising campaigns funded from members' advertising levy contributions
- the significant investment in a new CRM (customer relationship management) system.

### **SUBSEQUENT EVENTS**

There are no significant subsequent events that have occurred since the financial year ended 30 June 2014.

### **FUTURE LIKELY EVENTS**

There are no known future likely events for the Financial Planning Association at this date.

### **DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS**

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

### **DIRECTORS' MEETINGS**

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

DIRECTORS' MEETINGS 2013/14		
	ELIGIBLE TO ATTEND	NUMBER ATTENDED
Matthew Rowe	6	5
Mark Rantall	6	6
Philip Pledge	6	5
Bruce Foy	6	6
Louise Lakomy	6	6
Julie Matheson	6	5
Peter O'Toole	6	4
Neil Kendall	6	5
Matthew Brown	6	6
Patrick Canion	6	6

For the year ended 30 June 2014

## BOARD COMMITTEE MEMBERSHIP

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

### Audit and Risk Management Committee

Philip Pledge (Chair), Louise Lakomy CFP® LRS® FFPA, Peter O'Toole CFP® FFPA

Joined: Matthew Brown CFP® (September 2013)

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

### Governance and Remuneration Committee

Matthew Rowe CFP® (Chair), Neil Kendall CFP® FFPA, Julie Matheson CFP®

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

### Policy and Regulations Committee

Neil Kendall CFP® FFPA (Chair), Jason Bragger CFP®, Frank Camilleri CFP®, Elisha Forde CFP®, Adrian Hanrahan CFP®, Tim Mackay CFP®, Craig Meldrum AFP®, Peter Richards CFP®

Joined: Anne Graham CFP® LRS® (February 2014)

Resigned: Jo Tuck CFP® (July 2013), William Johns CFP®, Michael Summers CFP® FFPA, Nick Shugg CFP® (December 2013), Jason Andriessen CFP®, Justin Hooper CFP® AEPS®, Alan Littlely CFP® (February 2014)

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

### Professional Designations Committee

Julie Matheson CFP® (Chair), Dario Bartolomeo CFP®, Elson Goh CFP® LRS®, Benjamin Jessop CFP®, Robert MacLean CFP® AEPS®, Martin McIntosh CFP®, Paul Moran CFP®, Thabojan Rasiah CFP®, Peter Roan CFP® LRS® AEPS® FFPA

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

### Member Engagement and Growth Committee

Patrick Canion CFP® (Chair), John Hewison CFP® FFPA, Stephen Bury CFP® LRS®, Wally David CFP®, George Flack CFP®, Adrian Judd AFP®, Shane Nicholas CFP®, Drew Potts CFP®, Ragnhild Sky CFP®, Palminder Sodhi CFP®, Mark Wenzel AFP®, Dean Williams AFP®, Kevin Centra AFP®, Henry Pilat CFP®, Lisa Weissel CFP®, Wayne Roggero CFP®

The Member Engagement and Growth Committee did not meet during this period under review.

In January 2014 the committee was replaced with the Interim Regional Chapter Committee.

### Professional Standards and Conduct Committee

Peter O'Toole CFP® FFPA (Chair), Danny Maher CFP®, Guyon Cates, Benjamin Marshan CFP®, Dacian Moses CFP®, Hanny Youcef AFP®, James Cotis CFP®

Joined: Christine Cupitt (July 2013)

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

**The following committee was established during the period under review:**

Interim Regional Chapter Committee (commenced January 2014)

Patrick Canion CFP® (Chair), Vicky Ampoulos, Alex Brown CFP®, Petra Churcher CFP®, Gary Jones AFP® FFPA, Todd Kennedy CFP®, Danny Maher CFP®, Randall Stout CFP®

The Interim Regional Chapter Committee met twice during the period under review.

Mark Rantall CFP®, as Chief Executive Officer, sat on all the above committees in an ex-officio capacity.

**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 Association has not provided an indemnity to the auditor of the Association.

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 2014 were \$11,215 (2013: \$11,348). This policy is renewed annually and the current policy expires on 31 March 2015.

**INDEMNIFICATION OF AUDITORS**

To the extent permitted by law, the company 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.

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



Ernst & Young  
680 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](http://ey.com/au)

### AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA LIMITED

In relation to our audit of the financial report of Financial Planning Association of Australia Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

**Rita Da Silva**  
Partner  
25 September 2014

Signed in accordance with a resolution of the directors.

**Matthew Rowe**  
Director

**Philip Pledge**  
Director

*Date: 25 September 2014*  
Sydney, New South Wales

## DIRECTORS' DECLARATION

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

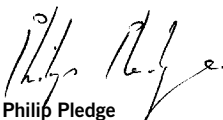
In the opinion of the directors:

- (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 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*; and
- (b) 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

A handwritten signature in black ink, appearing to read 'Matthew Rowe'.

**Matthew Rowe**  
Director

A handwritten signature in black ink, appearing to read 'Philip Pledge'.

**Philip Pledge**  
Director

*Date: 25 September 2014*  
Sydney, New South Wales



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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA LIMITED**

### **Report on the financial report**

We have audited the accompanying financial report of Financial Planning Association of Australia Limited (the "Association"), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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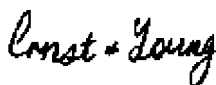
### *Independence*

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

### *Opinion*

In our opinion:

- (a) the financial report of Financial Planning Association of Australia Limited is 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 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).

The logo for Ernst & Young, featuring the company name in a stylized, handwritten-style script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rita Da Silva'.

**Rita Da Silva**  
Partner

Sydney  
25 September 2014

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	2	<b>11,109,138</b>	9,574,595
Employee benefits expenses	3(c)	<b>(4,554,136)</b>	(4,476,128)
Depreciation and amortisation expenses	3(a)	<b>(119,483)</b>	(114,924)
Conference, event, program and education expenses		<b>(2,614,997)</b>	(1,326,508)
Occupancy expenses	3(b)	<b>(370,059)</b>	(355,760)
Advertising and marketing expenses		<b>(591,972)</b>	(553,200)
Administration expenses		<b>(1,213,291)</b>	(948,505)
Other expenses		<b>(714,624)</b>	(513,810)
<b>Total expenses from operations</b>		<b>(10,178,562)</b>	(8,288,835)
<b>Surplus from operations</b>		<b>930,576</b>	1,285,760
Strategic advertising	3(d)	<b>1,479</b>	(7,784)
<b>Operating profit before income tax</b>		<b>932,055</b>	1,277,976
Income tax benefit	5	<b>48,469</b>	135,071
<b>Operating profit for the year</b>		<b>980,524</b>	1,413,047
Other comprehensive income		–	–
<b>Total comprehensive income</b>		<b>980,524</b>	1,413,047

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

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 \$	2013 \$
<b>Current assets</b>			
Cash and cash equivalents	17	2,825,401	2,472,441
Trade and other receivables	6	605,079	526,870
Other current assets	7	14,105,519	13,108,579
<b>Total current assets</b>		<b>17,535,999</b>	16,107,890
<b>Non-current assets</b>			
Plant and equipment	9	209,478	223,465
Intangible assets	10	415,837	111,947
Deferred tax assets	5	474,699	450,343
<b>Total non-current assets</b>		<b>1,100,014</b>	785,755
<b>Total assets</b>		<b>18,636,013</b>	16,893,645
<b>Current liabilities</b>			
Trade and other payables	11	2,362,848	2,295,875
Income tax payable	5	–	87,068
Provisions	12	264,245	223,706
Other liabilities	13	7,403,646	6,663,828
<b>Total current liabilities</b>		<b>10,030,739</b>	9,270,477
<b>Non-current liabilities</b>			
Provisions	12	239,187	196,620
Other liabilities	13	21,088	37,959
Deferred tax liabilities	5	24,681	48,795
<b>Total non-current liabilities</b>		<b>284,956</b>	283,374
<b>Total liabilities</b>		<b>10,315,695</b>	9,553,851
<b>Net assets</b>		<b>8,320,318</b>	7,339,794
<b>Members' funds</b>			
Retained earnings	8	8,320,318	7,339,794
<b>Total members' funds</b>		<b>8,320,318</b>	7,339,794

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 2014

	Note	Retained Earnings \$	Total Equity \$
<b>At 1 July 2012</b>		<b>5,926,747</b>	5,926,747
Total comprehensive income for the year		<b>1,413,047</b>	1,413,047
<b>At 30 June 2013</b>	8	<b>7,339,794</b>	7,339,794
Total comprehensive income for the year		<b>980,524</b>	980,524
<b>At 30 June 2014</b>	8	<b>8,320,318</b>	8,320,318

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 2014

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from members and non-members		10,480,431	8,302,307
Payments to suppliers and employees		(9,184,575)	(5,887,885)
Interest received		601,348	559,038
Income tax paid		(87,068)	–
<b>Net cash flows from operating activities</b>	17	<b>1,810,136</b>	2,973,460
<b>Cash flows from investing activities</b>			
Funds placed on term deposit		(1,047,790)	(7,322,350)
Purchase of plant and equipment		(34,965)	(136,297)
Purchase of intangible assets		(374,421)	(58,040)
<b>Net cash flows used in investing activities</b>		<b>(1,457,176)</b>	(7,516,687)
Net (decrease)/increase in cash and cash equivalents		352,960	(4,543,227)
Cash and cash equivalents at beginning of period		2,472,441	7,015,668
<b>Cash and cash equivalents at the end of period</b>	17	<b>2,825,401</b>	2,472,441

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

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *(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 Planning Association of Australia Limited (the "Association"), which is a non-profit organisation, is limited by guarantee.

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.

The financial report of the Association for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 25 September 2014.

### *(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 as follows:

The company has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2013:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits (revised 2011)
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009 – 2011 Cycle
- AASB 1053 Application of Tiers of Australian Accounting Standards

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

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

Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ended 30 June 2014.

The assessment of the impact of these new standards and interpretations are outlined in the following table:

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i>	AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	None expected	1 July 2014
Interpretation 21	<i>Levies</i>	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	None expected	1 July 2014
AASB 2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i> . The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	None expected	1 July 2014

For the year ended 30 June 2014

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

## (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 2014-1 Part A – Annual Improvements 2010-2012 Cycle	<i>Amendments to Australian Accounting Standards – Part A Annual Improvements to IFRSs 2010-2012 Cycle</i>	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.</p> <p>Annual Improvements to IFRSs 2010-2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> <li>• AASB 2 – Clarifies the definition of “vesting conditions” and “market condition” and introduces the definition of “performance condition” and “service condition”.</li> <li>• AASB 3 – Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.</li> <li>• AASB 8 – Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.</li> <li>• AASB 116 and AASB 138 – Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.</li> </ul>	1 July 2014	None expected	1 July 2014



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
		<ul style="list-style-type: none"> <li>AASB 124 – Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.</li> </ul>			
AASB 2014-1 Part A – Annual Improvements 2011-2013 Cycle	<i>Amendments to Australian Accounting Standards – Part A  Annual Improvements to IFRSs 2011-2013 Cycle</i>	<p>Annual Improvements to IFRSs 2011-2013 Cycle addresses the following items:</p> <ul style="list-style-type: none"> <li>AASB 13 – Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.</li> <li>AASB 40 – Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.</li> </ul>	1 July 2014	None expected	1 July 2014

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)</i>	<p>IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	1 January 2016	None expected	1 July 2016
IFRS 15	<i>Revenue from Contracts with Customers</i>	<p>In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i>, which replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue and related Interpretations</i> (IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue – Barter Transactions Involving Advertising Services</i>)</p>	1 January 2017	The Association is currently evaluating the impact of the new standard	1 July 2017

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
		<p>The core principle of IFRS 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.</p> <p>An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer</p> <p>(b) Step 2: Identify the performance obligations in the contract</p> <p>(c) Step 3: Determine the transaction price</p> <p>(d) Step 4: Allocate the transaction price to the performance obligations in the contract</p> <p>(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>Early application of this standard is permitted.</p>			
AASB 1031	<i>Materiality</i>	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p>	1 January 2014	None expected	1 July 2014

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	<p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p> <p>Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 <i>Financial Instruments</i>.</p> <p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p> <p>Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 <i>Financial Instruments</i>.</p>	^^	None expected	^^

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 9/ IFRS 9	<i>Financial Instruments</i>	<p>On 24 July 2014 the IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.</p> <p>IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p>	1 January 2018	None expected	1 July 2018

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
		<p>AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <p>(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>			

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### (c) New Accounting Standards and Interpretations [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
		<p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>• The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>• The remaining change is presented in profit or loss</li> </ul> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p>			

\* Designates the beginning of the applicable annual reporting period unless otherwise stated.

^^ The application dates of AASB 2013-9 are as follows:

Part A – periods ending on or after 20 December 2013 – Application date for the Association: period ending 30 June 2014

Part B – periods beginning on or after 1 January 2014 – Application date for the Association: period beginning 1 July 2014

Part C – reporting periods beginning on or after 1 January 2015 – Application date for the Association: period beginning 1 July 2015

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### *(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.

#### **Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and the carry forward of unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. The related carrying amounts are disclosed in note 5.

#### **Impairment of non-financial assets other than goodwill**

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 [CONTINUED]

### *(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	The lease term
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 income statement.

### **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.

### *(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 statement of financial position 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.

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### *(f) Taxes [CONTINUED]*

The carrying amount of deferred income tax assets is reviewed at each statement of financial position 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.

#### **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
- 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 is 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.

### *(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:

#### **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 Forums**

Revenue is recognised when the events take place.

#### **Interest**

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

#### **Rental income**

Rental income from sublet properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income. The rental expenditure that is reimbursed under such subletting agreement is netted against the related reimbursement or income.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

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

Trade payable 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 17(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.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible 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 receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

### *(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 position 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.

For the year ended 30 June 2014

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### *(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 12 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 national government bonds, which have terms to maturity approximating the terms of the related liabilities are used.

### *(m) Members' funds*

The Association is limited by guarantee and does not have share capital (refer to note 20).

### *(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.

#### **Association as a lessor**

Leases in which the Association retains all of the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental payments received.

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

Investments and other financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* 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" and "held to maturity investments".

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

### *(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 any 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 is 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 FPA 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 so 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 *Intangible Assets* 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 *Intangible Assets* is 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.

For the year ended 30 June 2014

	2014 \$	2013 \$
<b>2. REVENUE</b>		
<i>Revenue</i>		
Membership subscriptions	<b>6,991,207</b>	6,930,487
Conferences and seminars	<b>1,619,930</b>	316,296
CFP course	<b>1,096,419</b>	909,094
CFP certification	<b>431,161</b>	417,430
Specialist programs	<b>32,924</b>	48,750
Continuing education	<b>330,335</b>	306,238
Interest received – non-related persons/corporations	<b>519,991</b>	547,140
Other revenue	<b>87,171</b>	99,160
<b>Total revenue</b>	<b>11,109,138</b>	9,574,595

	2014 \$	2013 \$
<b>3. EXPENSES</b>		
<i>(a) Depreciation and amortisation expenses</i>		
Depreciation and amortisation of non-current assets		
Computer equipment	<b>11,809</b>	13,648
Furniture and fittings	<b>3,328</b>	5,992
Plant and equipment	<b>3,749</b>	7,223
Leasehold improvements	<b>30,066</b>	23,433
Intangible assets	<b>70,531</b>	64,628
<b>Total depreciation and amortisation of non-current assets</b>	<b>119,483</b>	114,924
<i>(b) Occupancy expenses</i>		
Minimum lease payments – operating lease	<b>370,059</b>	368,874
Provision restoration of leased properties	–	(13,114)
<b>Total occupancy expenses</b>	<b>370,059</b>	355,760
<i>(c) Employee benefits expenses</i>		
Wages and salaries	<b>4,078,901</b>	4,104,642
Workers' compensation costs	<b>45,782</b>	15,559
Superannuation costs	<b>303,722</b>	267,674
Staff training and recruitment	<b>125,731</b>	88,253
<b>Total employee benefits expenses</b>	<b>4,554,136</b>	4,476,128
<i>(d) Strategic Advertising – costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.</i>		
Advertising levies received	<b>(1,457,746)</b>	(1,390,820)
Advertising expenditure	<b>1,456,267</b>	1,398,604
	<b>(1,479)</b>	7,784

For the year ended 30 June 2014

	2014 \$	2013 \$
<b>4. AUDITORS' REMUNERATION</b>		
Amounts received, or due and receivable, by Ernst & Young for:		
– an audit of the financial report of the Association	46,100	44,800
– other services – taxation	15,000	13,900
	<b>61,100</b>	<b>58,700</b>

#### 5. INCOME TAX

The major components of income tax expense are:

##### *Statement of Comprehensive Income*

##### **Current income tax**

Current income tax expense	–	304,243
Tax losses recognised and not previously brought to account	–	(217,175)

##### **Deferred income tax**

Relating to recoupment of tax losses	–	–
Income tax payable	–	87,068
Relating to origination and reversal of temporary differences	<b>(48,469)</b>	(222,139)

Income tax (benefit) reported in the statement of comprehensive income	<b>(48,469)</b>	(135,071)
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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	<b>932,055</b>	1,277,976
At statutory income tax rate of 30 per cent	<b>279,616</b>	383,393
Net income derived from members not assessable	<b>(333,316)</b>	(310,259)
Expenditure not allowable for income tax purposes	<b>4,003</b>	3,890
Previously unbooked tax losses	–	(217,175)
Other	<b>1,228</b>	5,080
Income tax (benefit) attributable to operating surplus	<b>(48,469)</b>	(135,071)



	Opening balance at 1 July 2013	(charged)/credited to profit or loss	Closing balance at 30 June 2014
<b>5. INCOME TAX</b> [CONTINUED]			
<i>Movements in deferred taxation</i>			
<b>Deferred tax assets</b>			
Employee provisions	24,680	9,680	<b>34,360</b>
Other provisions and accruals	28,479	6,079	<b>34,558</b>
Deferred revenue	392,808	(17,160)	<b>375,648</b>
Tax losses	–	26,915	<b>26,915</b>
Other	4,376	(1,159)	<b>3,217</b>
<b>Total deferred tax assets</b>	<b>450,343</b>	<b>24,355</b>	<b>474,699</b>
<b>Deferred tax liabilities</b>			
Accrued interest	(48,795)	24,407	<b>(24,388)</b>
Other	–	(293)	<b>(293)</b>
<b>Total deferred tax liabilities</b>	<b>(48,795)</b>	<b>24,114</b>	<b>(24,681)</b>
<b>Total deferred tax</b>	<b>401,547</b>	<b>48,469</b>	<b>450,018</b>
	Opening balance at 1 July 2012	(charged)/credited to profit or loss	Closing balance at 30 June 2013
<b>Deferred tax asset</b>			
Employee provisions	23,142	1,538	24,680
Other provisions and accruals	21,746	6,733	28,479
Deferred revenue	181,310	211,498	392,808
Other	5,890	(1,514)	4,376
<b>Total deferred tax assets</b>	<b>232,088</b>	<b>218,255</b>	<b>450,344</b>
<b>Deferred tax liabilities</b>			
Accrued interest	(52,365)	3,570	(48,795)
Other	(314)	314	–
<b>Total deferred tax liabilities</b>	<b>(52,678)</b>	<b>3,884</b>	<b>(48,795)</b>
<b>Total deferred tax</b>	<b>179,409</b>	<b>222,139</b>	<b>401,548</b>

For the year ended 30 June 2014

	2014 \$	2013 \$
<b>6. TRADE AND OTHER RECEIVABLES</b>		
Trade Debtors (i)	<b>533,388</b>	365,902
Less: Allowance for impairment loss (ii)	<b>(10,668)</b>	(2,636)
	<b>522,720</b>	363,266
Sundry Debtors (iii)	<b>82,359</b>	163,604
	<b>605,079</b>	526,870

#### *Terms and conditions*

Terms and conditions relating to the above financial instruments:

- (i) Trade debtors are non-interest bearing and generally on 30 day terms.
- (ii) A provision for impairment loss is recognised when there is objective evidence that an individual debtor is impaired. No individual amount within the impairment allowance 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**

Prepaid conference expenditure	<b>405,371</b>	484,812
Prepaid chapter expenditure	<b>39,936</b>	41,292
Other prepayments	<b>64,522</b>	34,575
Term deposits maturing between 4-12 months	<b>13,595,690</b>	12,547,900
	<b>14,105,519</b>	13,108,579

#### **8. RETAINED EARNINGS**

Balance at the beginning of the financial year	<b>7,339,794</b>	5,926,747
Total change in members' funds recognised in the Statement of Comprehensive Income	<b>980,524</b>	1,413,047
Balance at the end of the financial year	<b>8,320,318</b>	7,339,794

	Computer Equipment at cost \$	Furniture and Fitting at cost \$	Plant and Equipment at cost \$	Leasehold Improvement at cost \$	Total \$
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## 9. PLANT AND EQUIPMENT

### *Gross carrying amount*

Balance at 1 July 2012	121,946	108,422	100,415	610,825	941,608
Additions	2,453	5,674	4,890	123,280	136,297
Disposals	–	–	–	–	–
<b>Balance at 30 June 2013</b>	<b>124,399</b>	<b>114,096</b>	<b>105,305</b>	<b>734,105</b>	<b>1,077,905</b>
Additions	23,173	5,916	5,876	–	34,965
Disposals	–	–	–	–	–
<b>Balance at 30 June 2014</b>	<b>147,572</b>	<b>120,012</b>	<b>111,181</b>	<b>734,105</b>	<b>1,112,870</b>

### *Accumulated depreciation and impairments*

Balance at 1 July 2012	(98,130)	(92,174)	(89,392)	(524,448)	(804,144)
Depreciation	(13,648)	(5,992)	(7,223)	(23,433)	(50,296)
Disposals	–	–	–	–	–
<b>Balance at 30 June 2013</b>	<b>(111,778)</b>	<b>(98,166)</b>	<b>(96,615)</b>	<b>(547,881)</b>	<b>(854,440)</b>
Depreciation	(11,809)	(3,328)	(3,749)	(30,066)	(48,952)
Disposals	–	–	–	–	–
<b>Balance at 30 June 2014</b>	<b>(123,587)</b>	<b>(101,494)</b>	<b>(100,364)</b>	<b>(577,947)</b>	<b>(903,392)</b>

### *Net book value*

As at 30 June 2013	12,621	15,930	8,690	186,224	223,465
<b>As at 30 June 2014</b>	<b>23,985</b>	<b>18,518</b>	<b>10,817</b>	<b>156,158</b>	<b>209,478</b>

The gross amount of fully depreciated fixed assets still in use was \$536,731 (2013: \$740,783).

For the year ended 30 June 2014

	Website Development at cost \$	Computer Software at cost \$	Total \$
<b>10. INTANGIBLE ASSETS</b>			
<i>Gross carrying amount</i>			
Balance at 1 July 2012	266,032	309,669	575,701
Additions	21,600	36,440	58,040
Disposals	–	–	–
<b>Balance at 30 June 2013</b>	<b>287,632</b>	<b>346,109</b>	<b>633,741</b>
Additions	28,430	345,991	374,421
Disposals	–	–	–
<b>Balance at 30 June 2014</b>	<b>316,062</b>	<b>692,100</b>	<b>1,008,162</b>
<i>Accumulated amortisation and impairments</i>			
Balance at 1 July 2012	(212,278)	(244,888)	(457,166)
Amortisation	(24,311)	(40,317)	(64,628)
Disposals	–	–	–
<b>Balance at 30 June 2013</b>	<b>(236,589)</b>	<b>(285,205)</b>	<b>(521,794)</b>
Amortisation	(29,500)	(41,031)	(70,531)
Disposals	–	–	–
<b>Balance at 30 June 2014</b>	<b>(266,089)</b>	<b>(326,236)</b>	<b>(592,325)</b>
<i>Net book value</i>			
As at 30 June 2013	51,043	60,904	111,947
<b>As at 30 June 2014</b>	<b>49,973</b>	<b>365,864</b>	<b>415,837</b>

The gross amount of fully amortised intangible assets still in use was \$471,059 (2013: \$375,125).

No impairment losses were recognised during 2014 or 2013.

	2014 \$	2013 \$
<b>11. TRADE AND OTHER PAYABLES</b>		
Trade creditors and accruals (i)	<b>1,883,245</b>	1,845,541
Goods and Services Tax	<b>479,603</b>	450,334
	<b>2,362,848</b>	2,295,875

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

	Restoration of leased properties \$	Annual leave \$	Long service leave \$	Total \$
<b>12. PROVISIONS</b>				
<b>Balance at 1 July 2013</b>	139,158	206,871	74,297	420,326
Arising during the year	–	279,748	50,176	329,924
Utilised	–	(239,908)	–	(239,908)
Unused amounts reversed	–	–	(6,910)	(6,910)
<b>Balance at 30 June 2014</b>	<b>139,158</b>	<b>246,711</b>	<b>117,563</b>	<b>503,432</b>
<b>Current 2014</b>	–	246,711	17,534	264,245
<b>Non-Current 2014</b>	139,158	–	100,029	239,187
	<b>139,158</b>	<b>246,711</b>	<b>117,563</b>	<b>503,432</b>
Current 2013	–	206,871	16,835	223,706
Non-Current 2013	139,158	–	57,462	196,620
	139,158	206,871	74,297	420,326

For the year ended 30 June 2014

	2014 \$	2013 \$
<b>13. OTHER LIABILITIES</b>		
<i>Current</i>		
Income in advance:		
– conference income	<b>661,978</b>	663,342
– event income	–	2,273
– education income	<b>203,455</b>	211,616
– membership income	<b>5,853,263</b>	4,732,272
– advertising levies	<b>637,097</b>	1,014,898
– chapter income	<b>30,982</b>	22,556
	<b>7,386,775</b>	6,646,957
Lease incentive	<b>16,871</b>	16,871
	<b>7,403,646</b>	6,663,828
<i>Non-Current</i>		
Lease incentive	<b>21,088</b>	37,959
	<b>21,088</b>	37,959

	2014 \$	2013 \$
<b>14. COMMITMENTS FOR EXPENDITURE</b>		
<i>Operating lease commitments – Association as lessee</i>		
Future minimum rentals payable under non-cancellable operating leases at balance date but not recognised as liabilities are:		
No later than one year	<b>359,673</b>	343,244
Later than one year but not later than five years	<b>472,027</b>	831,700
Aggregated lease expenditure contracted for at balance date	<b>831,700</b>	1,174,944
In respect of non-cancellable operating leases the following liabilities have been recognised:		
<i>Current:</i>		
Lease incentive	<b>16,871</b>	16,871
<i>Non-Current:</i>		
Restoration of leased properties	<b>139,158</b>	139,158
Lease incentive	<b>21,088</b>	37,959
	<b>177,117</b>	193,988

#### *Notes*

The lease commitment is a non-cancellable property lease with a remaining term of under five years.

For the year ended 30 June 2014

	2014 \$	2013 \$
<b>15. EMPLOYEE BENEFITS AND SUPERANNUATION CONTRIBUTIONS</b>		
<i>Employee Benefits</i>		
The aggregate employee entitlement liability is comprised of:		
Accrued wages, salaries and on costs	<b>391,873</b>	192,860
Provisions (current)	<b>264,245</b>	223,706
Provisions (non-current)	<b>100,029</b>	57,462
Accrued superannuation	<b>73,550</b>	49,451
Performance Bonuses	<b>188,125</b>	205,629
	<b>1,017,822</b>	729,108

#### *Superannuation Commitments*

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. Contributions by the Association of up to 9.25% of employees' wages and salaries are legally enforceable.

#### **16. 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.



2014  
\$

2013  
\$

## 17. CASH AND CASH EQUIVALENTS

### (i) Reconciliation to Statement of Cash Flows

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	1,708,290	912,540
Short-term money market deposits	1,117,111	1,559,901
Closing balance as per the statement of cash flows	2,825,401	2,472,441

### (ii) Reconciliation of surplus after income tax to net cash flows from operations

Surplus from ordinary activities after income tax	980,524	1,413,047
<b>Non-cash items</b>		
Depreciation and amortisation	119,483	114,924
Loss on disposal of plant and equipment	–	–
<b>Change in operating assets and liabilities</b>		
(Increase) in trade and other receivables	(78,209)	(242,802)
Decrease/(increase) in other current assets	50,850	(470,447)
(Increase) in deferred tax assets	(24,356)	(218,256)
Increase in trade and other payables	66,973	393,953
Increase in current provisions	40,539	43,724
(Decrease)/increase in income tax payable	(87,068)	87,068
Increase in other current liabilities	739,818	1,839,047
Increase in non-current provisions	42,567	33,956
(Decrease) in other non-current liabilities	(16,871)	(16,871)
(Decrease) in deferred tax liabilities	(24,114)	(3,883)
Net cash flows from operating activities	1,810,136	2,973,460

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.

For the year ended 30 June 2014

17. CASH AND CASH EQUIVALENTS [CONTINUED]

(iii) *Assets pledged as security*

Included in the balance of short-term deposits comprises \$282,801 of 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 short-term deposits is \$200,000 being security required for the set up of the corporate card facility with the National Australia Bank.

18. RELATED PARTY DISCLOSURES

*Directors*

The names of persons who were directors of the Financial Planning Association of Australia Limited at all times during the year are as follows:

M Brown	P O'Toole
P Canion	P Pledge
B Foy	M Rantall
N Kendall	M Rowe
L Lakomy	
J Matheson	

Information on compensation of directors is disclosed in note 19.

There were no transactions with any related parties, directors or director related entities during the year.

## 19. 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 entity or any related party:

	Directors		Executives	
	2014 \$	2013 \$	2014 \$	2013 \$
Short-Term	<b>772,601</b>	614,007	<b>996,761</b>	922,691
Post Employment	<b>24,725</b>	39,356	<b>93,131</b>	83,305
<b>Total</b>	<b>797,326</b>	653,363	<b>1,089,892</b>	1,005,996

### *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 directors 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.

## 20. 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.

For the year ended 30 June 2014

## 21. 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 identification and control of financial risks rests with the Audit and Risk Management Committee under the authority of the Board.

### *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 deposits 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:

	2014 \$	2013 \$
<i>Financial Assets</i>		
Cash and cash equivalents	1,708,290	912,540
Term deposits	14,712,801	14,107,801
	<b>16,421,091</b>	15,020,341

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [CONTINUED]

At 30 June 2014, 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:

	2014 \$	Post Tax Profit Higher/(Lower) 2013 \$
+1% (100 basis points)	<b>164,211</b>	150,203
+0.5% (50 basis points)	<b>82,105</b>	75,102
–0.5% (50 basis points)	<b>(82,105)</b>	(75,102)
–1% (100 basis points)	<b>(164,211)</b>	(150,203)

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 account receivables and payables are interest free.

### *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 provisions for doubtful debts. 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 monitor 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 net fair value of cash and cash equivalents and monetary financial assets and financial liabilities approximate their carrying value.

## 22. 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.

**Financial Planning Association  
Of Australia Limited**  
**ABN 62 054 174 453**

**DIRECTORS**

**M. Rowe**  
Chair

**M. Rantall**  
Chief Executive

**M. Brown**

**P. Canion**

**B. Foy**

**N. Kendall**

**L. Lakomy**

**J. Matheson**

**P. O'Toole**

**P. Pledge**

**COMPANY SECRETARY**

**P. Lovett**

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**AUDITORS**

Ernst & Young  
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