



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

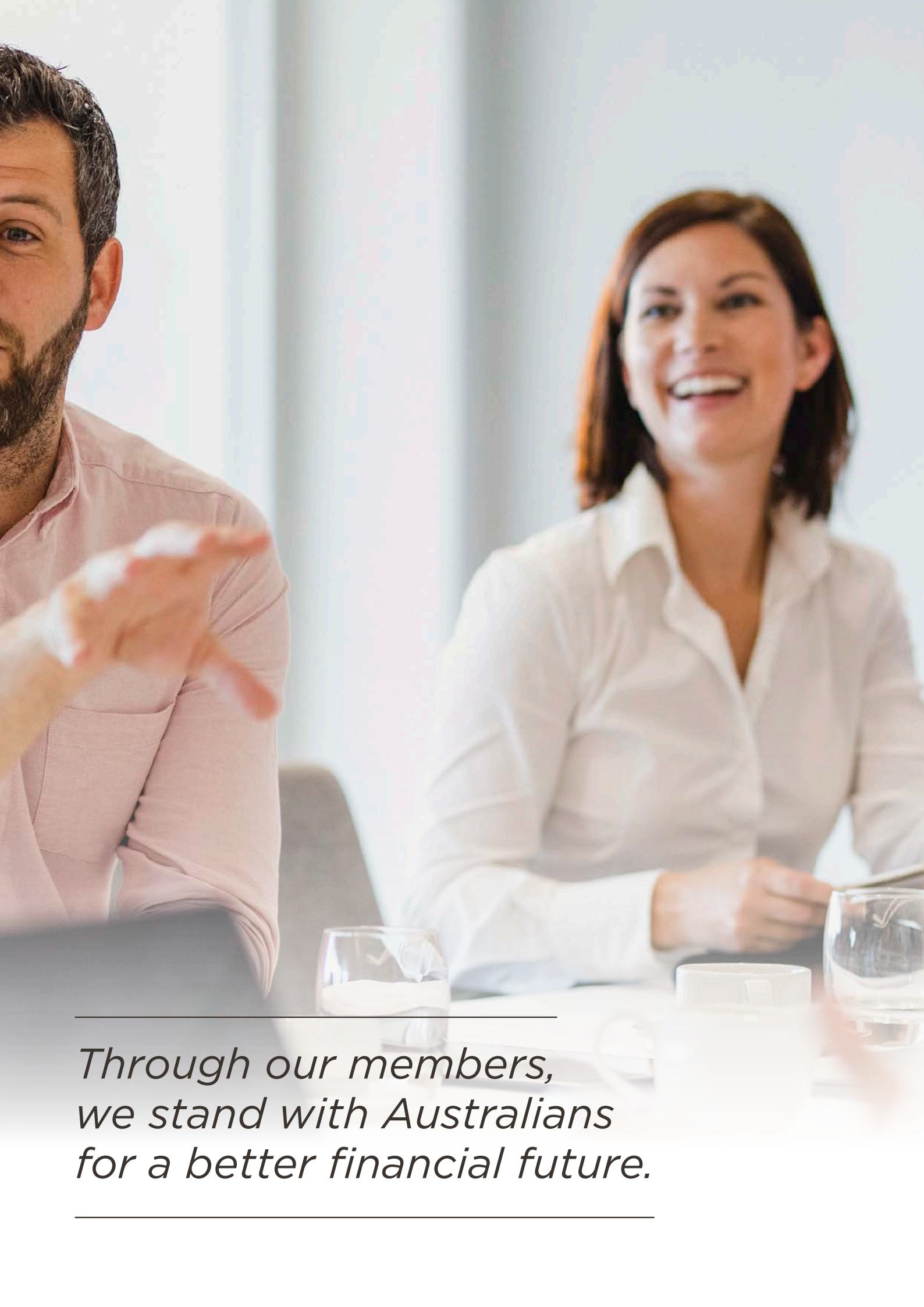
# ANNUAL REPORT

2021

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*Through our members,  
we stand with Australians  
for a better financial future.*

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“*When life is uncertain, we provide our client a road map to follow and a voice of reason.*”

**MARISA BROOME CFP®**  
FPA CHAIR



# Major strides, despite challenges

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*2020-21 was another year of challenges for us all as the global pandemic impacted every aspect of our lives.*

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From the economy entering and exiting a recession to serial lockdowns that have had a profound effect on our working and personal lives. But for myself as a practising CERTIFIED FINANCIAL PLANNER® Professional, and many of you, too, I hope it was a year of affirmation: about our ability to overcome challenges, the enduring value of the advice we provide to our clients, our relationships with them and the role we play in their lives and in their communities.

One of the most refreshing experiences of this year was to spend long-overdue time with FPA members around the country and see how they are coping with the lockdowns.

***Between March and June, when the economy and state borders were reopening, I was able to get out and see members in many of our Chapters around the country.***

At these events it was rewarding to meet those that are far from being beaten down by pressures of our environment as many of my peers have remained upbeat and positive. In the face of repeated adversity, these financial planners were focused on getting on with the job of providing their clients with advice that makes a meaningful, positive difference at a time when these clients needed us most. I cannot help but admire this mindset and echo the optimism. My experience of running my own practice is that there is an extraordinary need for financial advice out there, in fact more than the profession can provide.

This is in no way diminishing that there are many that have, through no fault of their own, not been

able to cope with the extraordinary pressures of not just the regulatory burden and spiraling costs but also the changing landscape of employment caused by the economic and social impact of the pandemic. I spent a lot of time listening to those who have really had a hard time and I am still in touch with many, offering any support that I can. I am proud that the FPA is able to provide them with formal support through access to FPA Wellbeing.

The value of advice is certainly on show. When life is uncertain, we can provide our client with a roadmap to follow and be that voice of reason. This is a pointer to a brighter future for the profession as a whole and the FPA in particular. One of our long-term priorities is to build more pathways into the profession and a bigger pipeline of new entrants and students who are preparing to become the next generation of financial planners. Recent experience suggests they will find a growing and demanding market for their services when they complete that education journey.

## **New scholarships grant**

To that end, we were thrilled to be selected to manage and deliver a \$1.5 million scholarships program for women in finance and economics, as part of the Federal Government's Women's Leadership and Development program, to further the role of women in the profession. Over the next two years, the FPA will be providing grants at all levels of the education - from individual subjects through to Master degrees that will help advance the role of women within the profession. Women make up only about 20 per cent of the numbers

on the Financial Advice Register and within the FPA, we know that 27 per cent of our members are women, so there is a huge opportunity to grow their representation and help address the unmet advice needs in the market. The FPA is committed to supporting more women to consider a career in financial planning but we also want to help those already in the broader profession take the next steps in their career development.

As you will read in more detail later in this report, the FPA has had a comprehensive program of work under way for our five-year Affordable Advice, Sustainable Profession policy platform. As the name suggests, the desire to build a thriving and sustainable financial planning profession so that more Australians have access to financial advice is at the heart of this strategy. Our members have been vital to the formulation of this strategy, and it is pleasing to report that it has already chalked up some notable successes.

### Effective advocacy

We are also proud of the demonstration of member power that resulted in the recent announcement of the freeze of the ASIC levy at 2019 level. It was a direct result of our call for members to contact their federal parliamentarians to highlight the issue. We are also working hard on identifying the issues that will be included in Treasury's 2022 review of all the recent regulatory changes to our profession. We believe that your continued support of our advocacy at grass roots level should result in the streamlining we have all identified is necessary to make advice accessible and affordable.

Personally, I am very pleased to see that the Australian Law Reform Commission has begun a review of the Corporations Act and identified issues in Chapter 7, in particular that link advice to products, as a priority. There remains a large body of issues still to be addressed but the early results suggest we have identified the issues and taken the right approach.

### Inspirational leadership

So much of the work the FPA does on behalf of its members has been driven by our Chief Executive Officer Dante De Gori CFP® and I want to take this opportunity to thank him for his tireless efforts and admirable results. Dante has been with the FPA for close to 12 years and it is almost six years since he was appointed as our

CEO. This has been one of the most demanding periods in the profession's history and he has had a meaningful impact on so many of the changes that have been both imposed from outside and driven from within. The role is relentless and he has achieved much for us by ensuring the FPA is always at the table of the decision makers. I cannot express how much tougher things would have been in our regulatory sphere without his rational and logical approach and his way of bringing stakeholders together to work through solutions. It is a testament to his dedication that even after he announced plans to stand down in January 2022, the pace of his work for the FPA has not slowed down. Dante has always put you – our members – and the profession of financial planning first and will leave a significant, lasting legacy at the FPA. He is recognised as a leader of international standing in the profession and he has left big shoes for the board to fill in finding his successor. We wish him well in all his future endeavors.

I would like to take this opportunity to thank my fellow FPA directors and the staff who have – under trying conditions and eight hour ZOOM meetings – provided me counsel and support over the year. I genuinely appreciate every insight, comment, idea, suggestion and challenge you have provided.

To you, our members, I would like to say thank you for your continued engagement and commitment over the past 12 months but especially for your support of me personally. We have taken some major strides but there is still so much we want to achieve. We will continue to consult, advocate and lead on the issues that matter.



**MARISA BROOME CFP®**

FPA CHAIR



“Reducing and eliminating unnecessary regulatory cost is central to creating a more efficient operating environment for financial planners.”

**DANTE DE GORI CFP®**

FPA CHIEF EXECUTIVE OFFICER



# A consistent voice to drive advocacy change

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*The past year has been a year of considerable progress for our members and the profession. We dealt with a full agenda of legislative, educational and practice changes while enduring a recession and the first and second wave of COVID-19.*

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Our five-year MAC strategy, with a focus on member engagement, public policy advocacy, and consumer education, is now well established and starting to deliver results for members, the wider professional community and, most importantly, the Australian public. And as we look towards 2022, we have a bit of breathing room to refocus on serving the Australian public without the prospect of another raft of “reforms” heading our way. A long train of investigation, introspection and reform stretching back through the Hayne Royal Commission to the 2014 Financial System Inquiry appears now to have run its course.

## **A significant milestone in FPA's advocacy efforts**

As we were preparing this report for our members, we received great news that the levy to fund ASIC's activities has been frozen at 2019-20 levels for at least two years while the government conducts a review of the sector's funding model. This is a major win for our members and the profession, who have been advocating on the issue for the past 24 months before this decision. It is also a tremendous reflection of the engagement by our members to write and call their local member of parliament to halt unpredictable and unsustainable increases in

the levy that put affordable advice further out of reach for many Australians. I would like to thank our members for helping to amplify our concerns.

## **Strength in numbers**

In fact, the level of engagement by our members has been a real personal highlight of this year. While physical events have not been possible – and we have had to postpone our annual national Professionals Congress for a second straight year, our members have flocked to our online forums and webinars. That same phenomenon has helped accelerate the take-up of technology that is helping streamline and improve the delivery of service to clients.

*For many, there has been a silver lining to the COVID-19 cloud in that it has spurred interest in seeking professional financial advice.*

It was also gratifying that myself, Marisa and other members of the FPA were able to use the brief window between March and late June to meet with so many of our members at our national Roadshow and hear about your challenges and triumphs firsthand.



For many, there has been a silver lining to the COVID-19 cloud in that it has spurred interest in seeking professional financial advice. Being homebound has given many Australians an opportunity to pause and reflect on many aspects of their lives, including their finances, and allowed the time and motivation to do something about it.

This will be a welcome development for many of you and for the profession, but it also poses a challenge for the profession to meet that pent up demand. Numbers leaving the profession due to stricter educational and regulatory requirements and the exit of big banks and financial institutions cannot be quickly or easily replaced. However, on the plus side, it is an opportunity for those weighing up whether to undertake the education and training required that there will be a big and growing market (i.e. employers and clients) for their services at the other end.

### Leading advocacy change

On the policy and advocacy front it has been another busy year. We are now in the second year of the five-year Affordable Advice, Sustainable Profession policy platform and have, with the help of members, chalked up some impressive achievements, headlined by the temporary ASIC levy relief. The removal of FASEA and the Tax Practitioners Board from oversight of the profession has also contributed to the overall aim of reducing the cost of regulation to the profession.

At the heart of the FPA's policy platform is the desire to reduce red tape and the duplication of regulation in the profession. Reducing and eliminating unnecessary regulatory cost is central to creating a more efficient operating environment for financial planners, and in turn, ensuring the cost of advice remains accessible to more Australians.

Further challenges remain, including the compensation scheme of last resort and the single disciplinary body, but I have been encouraged by the growing realisation among legislators about the impact of added and sometimes duplicate layers of regulation on the cost and availability of advice. In that same vein, we continue to advocate for the cost of advice to become a tax-deductible expense for clients of financial planners.

### Adapting to changing times

As the market changes, so does the FPA. After consulting and listening to members' concerns about our membership structure, we have completed a review to better align it with the market and the needs of our members. Next year we plan to announce new membership tiers to take effect from the 2022 renewal period starting in April. This will include membership opportunities to become more inclusive and open the association to others who have significant roles in the delivery of advice, such as paraplanners. Offering this new pathway to full membership - including obtaining Certification - and an overhaul of tools and resources are two ways we continue to evolve our proposition to ensure we remain the leading professional association for financial planners in Australia.

This is my last Chief Executive Officer's report after six years leading the FPA. It has been an honour and a privilege to be able to represent the interests of the financial planning profession on the national and international stage. It has not always been easy, particularly given the sustained program of reform and scrutiny to all facets of the financial services sector in that time. But I leave with the satisfaction that this period is now coming to a close and the FPA has made a meaningful contribution to shaping the reforms in the interests of members. Thank you for all the support throughout my time as CEO and I look forward to seeing the FPA continue to lead the financial planning profession in the years ahead.



**DANTE DE GORI CFP®**

FPA CHIEF EXECUTIVE OFFICER

# FPA YEAR AT A GLANCE 2021

## About our members

**12,049** FPA MEMBERS

FPA  
MEMBERS  
BY GENDER

27%

73%



NEW MEMBERS **1,005**



AVERAGE  
MEMBER AGE **45 yrs**

AVERAGE  
YEARS' M'SHIP **11 yrs**

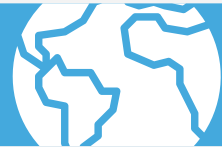
**5,207**

CFP® PROFESSIONALS



**192,000**

WORLDWIDE

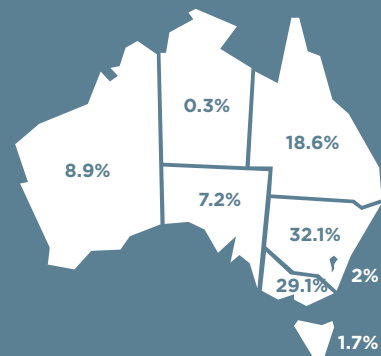


**157**

FPA AGED CARE  
SPECIALISTS

**30**

FPA  
CHAPTERS



## Member benefits



Integrated CFP® designation and Master's



CPD and specialist designations



Connection with peers: online, events, networking



Latest news and policy updates



Education, exam support and discounts



Professional Year support



Best practice guidance



Wellbeing program



Promoting our profession



Client referrals

## Professional Standards



**8**

FORMAL  
COMPLAINTS  
RECEIVED

**7**

COMPLAINTS  
CLOSED

**2**

MEMBERS  
TERMINATED

**1**

DISCIPLINARY  
HEARING

OF 29 ASIC BANS,  
ONLY 1 WAS AN FPA MEMBER

1 CASE RESULTED IN IMPOSED SANCTIONS



# FPA YEAR AT A GLANCE 2021

## Advocacy



42

SUBMISSIONS TO  
GOVERNMENT &  
REGULATORS

365+

GOVERNMENT &  
STAKEHOLDER  
MEETINGS

## FPA POLICY PLATFORM: AFFORDABLE ADVICE, SUSTAINABLE PROFESSION YEAR ONE PROGRESS



### REGULATION

1.1 Single disciplinary body



1.2 Single registration



1.3 Single set of fees



1.4 Single set of professional standards



### CONSUMER PROTECTION

2.1 General Advice



2.2 Restricted and like terms protected



2.3 Sophisticated Investor



2.4 PI Insurance



### LICENSING OF INDIVIDUALS

3.1 Professional registration



3.2 Separation of product and advice



3.3 Future of licensees



3.4 Tax and Centrelink agent status



### TECHNOLOGY

4.1 Access to data



4.2 Electronic disclosures and transactions



### COST OF FINANCIAL ADVICE

5.1 Ability to buy the advice you want



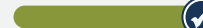
5.2 Small investment advice



5.3 tax deductibility of advice



5.4 Fees from super



5.5 Insurance advice fees



TO BE COMMENCED

IN PROGRESS

COMPLETED

## Consumers

### Promoting value of advice



292,000  
VISITS TO  
MONEY & LIFE



17,612  
NEWSLETTER  
SUBSCRIBERS

### Connecting consumers with members



51,000+

SEARCHES ON  
FIND A PLANNER

1,974

CLIENT MESSAGES  
SENT VIA  
FIND A PLANNER

1,826

CLIENT LEADS VIA MATCH MY PLANNER

### Pro bono work with Cancer Council

116

CASES

128

MEMBERS  
REGISTERED



### Giving back through Future2

FUTURE2 ACHIEVED

\$1.3m+

IN GRANT GIVING



## HALL OF FAME

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

Marisa Broome CFP®	2018 – present
Neil Kendall CFP®	2014 – 2018
Matthew Rowe CFP®	2010 – 2014
Julie Berry CFP®	2007 – 2010
Corinna Dieters	2005 – 2007
Kathryn Greiner	2004 – 2005
Steven Helmich	2002 – 2004
John Godfrey	2002
John Hewison CFP®	2001 – 2002
Raymond Griffin	2000 – 2001
Wes McMaster CFP®	1997 – 2000
Ted Thacker	1996 – 1997
Tony Beal	1995 – 1996
Russell McKimm	1994 – 1995

### FPA PRESIDENTS

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

### FPA CEOS

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

### FPA LIFE MEMBERS

Dominic Alafaci CFP®  
Julie Berry CFP®  
Corinna Dieters  
James Doogue  
Gweneth Fletcher  
John Godfrey  
Raymond Griffin  
Steven Helmich  
Ian Heraud CFP®  
John Hewison CFP®  
Gary Jones AFP®  
Neil Kendall CFP®  
Malcolm McNeil  
Delma Newton CFP®  
Mark Rantall CFP®

Matthew Rowe CFP®

Bernie Walshe CFP®

### FPA FELLOWS

Dominic Alafaci CFP®  
Scott Alman CFP®  
Rick Arnheim CFP®  
Kevin Bailey CFP®  
Julie Berry CFP®  
Glen Boath CFP®  
Max Bourne CFP®  
Paul Brady CFP®  
Nick Bruining CFP®  
Salvatore (Sam) Calarco CFP®  
Patrick Canion CFP®  
Geoff Catt CFP®  
Ian Chester-Master CFP®  
Bruce Christie CFP®  
Greg Cook CFP®  
Chris Craggs CFP®  
Sue Dahn CFP®  
John D'Alessandri CFP®  
Christine Davie  
Robert de Lepervanche CFP®  
Lou Delfos AFP®  
Corinna Dieters  
Max Dixon  
Malcolm Dobson AFP®  
Tim Donohue CFP®  
Ken Drummond CFP®  
Peter Dunn  
Philip Eley CFP®  
George Flack CFP®  
Geoff Fry  
Trevor Gibson  
Peter Gilkison CFP®  
Tony Gillett CFP®  
David Haintz CFP®  
Benjamin Hancock CFP®  
Ian Heraud CFP®  
John Hewison CFP®  
Paul Hocking CFP®  
Ron Issko  
Geoff Jakeman  
John Jefferies CFP®  
Gary Jones AFP®  
Terry Kays CFP®  
Neil Kendall CFP®  
Denis Kennedy CFP®

Peter Lake CFP®

Louise Lakomy CFP®

Rodney Lavin CFP®

Paul Lawrence

Wayne Leggett CFP®

Stefan Lipkiewicz AFP®

Gary Lucas CFP®

William Mackay CFP®

Tim Marshall

Philip Mason-Cox CFP®

Wes McMaster CFP®

Ian Mein CFP®

Laura Menschik CFP®

Wayne Moriarty CFP®

Delma Newton CFP®

Peter Nonnenmacher CFP®

Peter O'Toole CFP®

Suren Pather CFP®

Kyle Pearson CFP®

Rob Pyne CFP®

Ian Redpath

Peter Roan CFP®

David Rosenberg CFP®

David Rowlands

Nigel Sands CFP®

Colin Scully

Rod Scurrah

Mark Spiers CFP®

Anthony Stedman CFP®

Nigel Stewart AFP®

Dean Stokes CFP®

Randall Stout CFP®

Michelle Tate-Loverly CFP®

Chris Taylor

Stephen Wait CFP®

Lyn Walker CFP®

Owen Weeks CFP®

Timothy George White

Simon Wu CFP®

### DISTINGUISHED SERVICE AWARDS

#### 2021

Nick Amore CFP®  
David Armstrong AFP®  
Scott Brouwer CFP®  
Jocelyn Chong AFP®  
Duncan Forbes CFP®



## HALL OF FAME

Craig Meldrum AFP®  
Susan Peterson CFP®  
Michelle Tate-Loverly CFP®  
Hanny Youcef AFP®

### 2020

Wayne Barber CFP®  
Adrian Hanrahan CFP®  
Pene Lovett  
Marie Suthern CFP®  
Lisa Weissel CFP®

### 2019

Frank Camilleri CFP®  
Andrew Donachie CFP®  
Christopher Manwaring CFP®  
Steven O'Donoghue CFP®  
Mark O'Toole CFP®  
James Wortley CFP®

### 2018

Guyon Cates  
Philip Pledge  
Andrew Geddes CFP®  
Greg Tindall CFP®

### 2017

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

### 2016

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

### 2015

Paul Brady CFP®  
Patrick Canion CFP®

### 2014

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

### 2013

Dr Mark Brimble  
Scott Hay-Bartlem

### 2012

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

### 2011

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

### 2010

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

### 2009

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

### 2008

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

### 2007

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

### 2006

Ian Chester-Master CFP®

### 2005

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

### 2004

Chris Drummer  
Deborah Kent CFP®  
Bill Kouvas

### 2003

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

### 2002

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

### 2001

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

### 2000

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

### 1999

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

*The FPA Awards recognise members who demonstrate a commitment to delivering outstanding outcomes for clients, academic excellence and notable community contributions.*

This year a new award was introduced to highlight the FPA's continuing focus on innovation in the advice process, using technology and digital delivery of advice to consumers. The FPA Advice Innovation Award recognises members who have automated their advice process or used technology in new ways in how they engage with clients and/or deliver advice.



## FPA CFP® PROFESSIONAL OF THE YEAR

<b>Zacary Leeson CFP®</b>	<b>2020</b>
Andrew Dunbar CFP®	2019
Michael Carmody CFP®	2018
Michael Hayward CFP®	2017
Tony Sandercock CFP®	2016
Christopher Smith CFP®	2015
Randall Stout CFP®	2014
James Kenny CFP®	2013
Michelle Tate-Lovely CFP®	2012



## FPA FINANCIAL PLANNER AFP® OF THE YEAR

<b>Nat Daley AFP®</b>	<b>2020</b>
Crystal Bobir AFP®	2019
Felicity Cooper AFP®	2018
Patricia Soares Garcia AFP®	2017
Cody Harmon AFP®	2016
John Molnar AFP®	2015
Stephen Godfrey AFP®	2014
Mark Milner AFP®	2013
Shane Lenehan AFP®	2012

**FPA AWARDS**  
2020



## FPA PROFESSIONAL PRACTICE OF THE YEAR

<b>HPH Solutions</b>	<b>2020</b>
Capital Partners Private Wealth Advisers	2019
Wotherspoon Wealth	2018
Capital Partners Private Wealth Advisers	2017
ipac Western Australia	2016

## HALL OF FAME



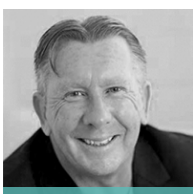
### FPA ADVICE INNOVATION AWARD

**Corey Wastle CFP®** **2020**



### FPA PARAPLANNER OF THE YEAR

<b>Emma Zwaan</b>	<b>2020</b>
Lachlan Haigh	2019
Kearsten James CFP®	2018
Adriana Brink AFP®	2017
Cynthia Sercombe CFP®	2016



### FPA COMMUNITY SERVICE AWARD Supported by Future2

<b>Shane Hayes</b>	<b>2020</b>
Zacary Leeson CFP®	2019
Zacary Leeson CFP®	2018
Reuben Zelwer CFP®	2017
Kathy Havers CFP®	2016
Christopher Moore CFP®	2015
Kathy Havers CFP®	2014
Jeremy Gillman-Wells CFP®	2013
Mark O'Leary CFP®	2012



### FPA UNIVERSITY STUDENT OF THE YEAR (joint winners)

<b>Miles Kitts</b>	<b>2020</b>
<b>Anthony White</b>	<b>2020</b>
Graeme Morris	2019
Mary Hadgis	2018
Azaria Bell	2017
Bradley Aleckson	2016
Natalie Cross	2015



### GWEN FLETCHER MEMORIAL AWARD

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.

#### SEMESTER ONE



<b>Renato Manias</b>	<b>2021</b>
Allen Ozdil	2020
Raquel Netto AFP®	2019
Erica Cummins CFP®	2018
Bronwyn Abraham CFP®	2017
Claire McGregor CFP®	2016
John Moran CFP®	2015
Erin Coyle CFP®	2014

#### SEMESTER TWO



<b>Jacob McCudden</b>	<b>2020</b>
Nicky Dwyer CFP®	2019
John Dacker AFP®	2018
Michael Forer AFP®	2017
Cameron Obliubek CFP®	2016
Sunitha Chamala CFP®	2015
Amy Early CFP®	2014

# About FPA

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## ***FPA vision***

*Through our members,  
we stand with Australians  
for a better financial future.*

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*As Australia's leading professional association for financial planners, the Financial Planning Association (FPA) represents the interests of the public and over 12,000 members.*

### FPA VISION

Through our members, we stand with Australians for a better financial future.

### FPA'S MAC STRATEGY

FPA's MAC strategy stands for Members, Advocacy and Consumers and guides our work from 2020 – 2025.



**Lead** the profession on the financial planning/planner model of the future.

**Uphold** the CFP® designation as the number one choice for the profession.

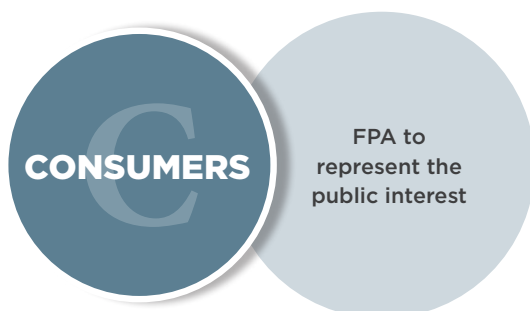
**Expand** our education, CPD and specialisation offers for members.



**Lead** the policy and reform debate for the financial planning profession.

**Implement** a policy vision to ensure a growing and sustainable future for financial planning.

**Be** the voice and professional body for the financial planning profession.



**Increase** consumer awareness and use of financial planning.

**Elevate** the financial planning profession's role and contribution to the community.

**Represent** the consumer in the development in public policy.



### OUR MEMBERS

#### FPA membership composition 2020/21

CATEGORY	2021	2020
CFP® professional members	5,207	5,550
Financial Planner AFP® members	3,286	3,725
Associate members	1,151	1,384
Allied Professional members	509	639
Leave of Absence members	195	176
Student members	1,257	1,225
Retired members	206	205
FPA Professional Practices	189	221
FPA Professional Partners	49	64
<b>TOTAL</b>	<b>12,049</b>	<b>13,189</b>

FPA member numbers decreased by 8.6 per cent this year. This drop is in line with expectations due to a number of factors continuing to impact the financial planning profession, including industry reform, new FASEA education and professional standards and changes to business models and adviser numbers within a number of large Australian Financial Services Licensees.

These factors have caused a number of financial planners to leave the profession. This has been reflected by an approximate 11 per cent reduction in financial advisers listed on ASIC's Financial Adviser Register (FAR) during 2020/21.

**2020/21**

**1,005**

**NEW MEMBERS  
THIS YEAR**

### EVOLVING THE MEMBERSHIP STRUCTURE

Over the past year, the FPA has conducted a comprehensive review of its membership structure to ensure we are positioned to meet the current and future needs of the financial planning profession. The review explored how to better support students entering into financial planning, as well as ways to deepen our connections with those who support the advice process, such as paraplanners. A program of membership enhancements has begun to roll out this year and will continue into the next.

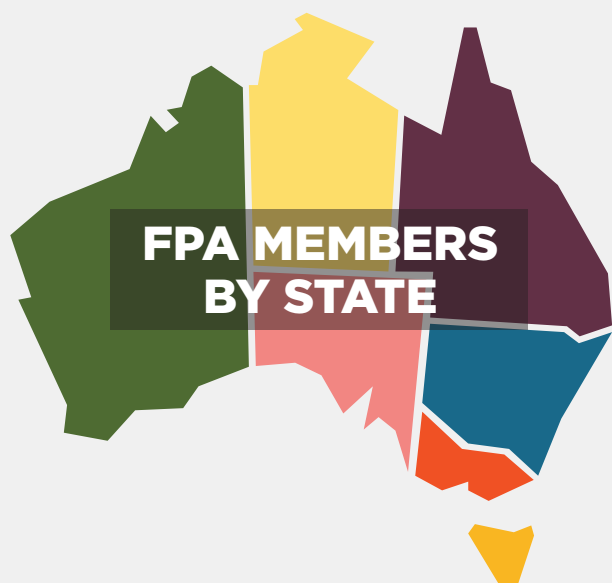
A key change announced this year is designed to improve the pathways to support next generation financial planners.

Attracting quality, new talent into the financial planning profession is an important priority for

the profession as a whole. There is also a desire to support graduates in the early years as they seek to build strong networks, understand the job market, access Professional Year resources and develop technical skills.

To meet these needs, the FPA is investing in the talent of the future by introducing a new graduate level of FPA membership from 1 July 2021 to FPA Student members who have recently completed their undergraduate or postgraduate degree.

During the 12 months following graduation, these FPA Student graduates will be able to upgrade and access their first year of membership in the FPA Allied Professional category at the special rate of \$95.



**ACT: 2%**

**NSW: 32.1%**

**NT: 0.3%**

**QLD: 18.6%**

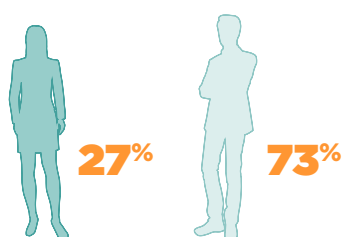
**SA: 7.2%**

**TAS: 1.7%**

**VIC: 29.1%**

**WA: 8.9%**

### FPA MEMBERS BY GENDER



**45**

**AVERAGE  
MEMBER  
AGE**

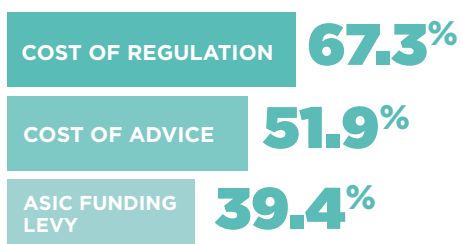
**11**

**AVERAGE  
YEARS'  
MEMBERSHIP**

### ANNUAL MEMBER RESEARCH

During February 2021, the FPA engaged global research consultancy CoreData to undertake the annual FPA membership survey. Nearly 800 FPA members participated and the research revealed that the ASIC industry funding levy was among the top five challenges confronting financial planners.

While the **cost of regulation** (67.3 per cent) and the **cost of advice** (51.9 per cent) were the top two challenges identified by FPA members, 39.4 per cent specifically called out the **ASIC funding levy** as a key issue, significantly up from 21 per cent in 2019.



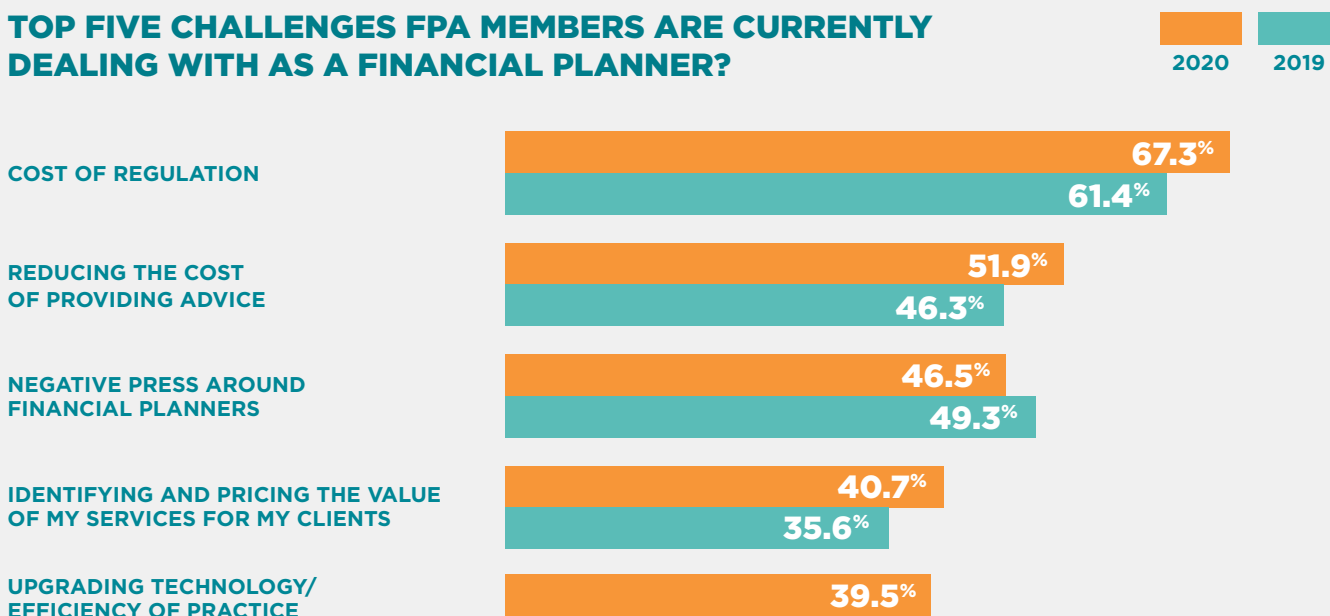
Similarly, more FPA members are now concerned about the impact of Australian Financial Complaints Authority, 21.1 per cent (up from 9.5 per cent a year earlier) and meeting the Government's full registration of the TPB (an increase of 6.5 per cent to 16.6 per cent in 2020).

Upgrading technology also emerged as a new challenge with 39.5 per cent of FPA members identifying it as a key issue facing them today.

The member research reconfirmed the big challenges confronting the financial planning profession which centre largely on the increasing cost to practise as a financial planner, including government fees and charges, cost-recovery levies and increases to professional indemnity insurance premiums, and the impact this is having on the affordability of financial advice for Australian consumers.

Reducing the cost of providing advice, red tape and the duplication of regulation in the financial planning profession is at the heart of the FPA's Policy Platform, Affordable Advice, Sustainable Profession. The FPA recognises this is a major challenge for our members, and for the profession as a whole, and our united advocacy efforts to progress the recommendations outlined in the Policy Platform seek to improve this.

### TOP FIVE CHALLENGES FPA MEMBERS ARE CURRENTLY DEALING WITH AS A FINANCIAL PLANNER?





# Members

## ***FPA strategic priority***

*FPA to be the  
professional body of  
choice for the financial  
planning profession*

# CFP® Certification Program



*The CERTIFIED FINANCIAL PLANNER® designation is the highest certification for financial planners globally.*

## COMBINING A MASTER WITH CFP® CERTIFICATION

This year, the FPA's integrated master's program continued to progress and we now partner with fifty per cent of the market of financial planning postgraduate education providers to combine their Master's of Financial Planning degree with the CFP® Certification Program.

The integrated CFP and Master's degree pathway is available for students of Kaplan Business School, Deakin University, Swinburne University of Technology, RMIT and Griffith University.

As of end June 2021, three students have become CFP professionals through this pathway.

## GOLD STANDARD IN FINANCIAL PLANNING

The integration with the master's program cements CFP certification study at AQF9 in the Australian Qualifications framework. The CFP designation continues to be respected as the global certification for those committed to competent and ethical financial planning advice. The FPA is the only association licensed to deliver and administer the CFP designation in Australia.

CFP certification means more than just education. It entails the four E's of professionalism – education, ethics, experience and examination – and requires a CFP professional to re-certify their credentials annually in order to maintain their certification.

The new Financial Adviser Standards and Ethics Authority (FASEA) standards for financial planners in Australia mean it's more important than ever to stand out. The CFP designation is an important differentiator and the pinnacle in financial planning.

## GLOBAL REACH

Across the world, the CFP professional community continues to thrive as demand for the certification is rising. There are over 192,000 CFP professionals worldwide across 27 territories and 5,207 CFP professionals in Australia, with 136 new CFP professionals admitted this year.

## SUMMER SEMESTER

In November 2020, the CFP certification unit (CFP C) was offered for the first time over summer semester to provide students with greater flexibility in completing their CFP certification studies. A total of 54 students enrolled in Summer Semester 2020.

## INCREASED LEARNING SUPPORT

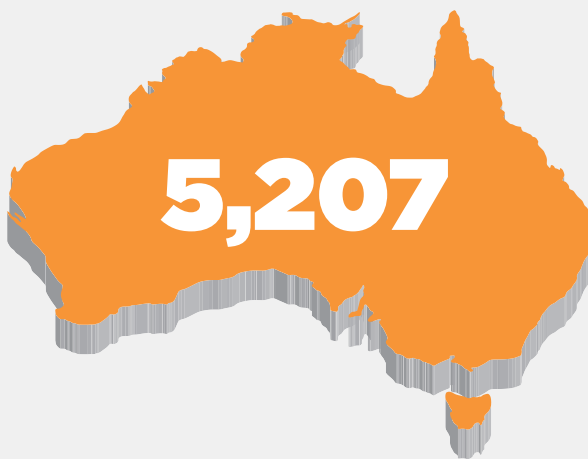
Advancements have continuously been made to improve the way we deliver and support those undertaking the CFP Certification Program. This year saw the introduction of QUITCH – a mobile learning platform designed to gamify learning and improve student performance. Students are able to test themselves on the subject material in timed conditions and compare their performance with the rest of the cohort.

## MEMBERS

We've also introduced a mentoring program pairing CFP professionals who are contributors and subject matter experts (SMEs) of the CFP Certification Program with students who are in their third and final attempt of the CFP C unit. Students who were eligible for the mentorship program saw an average of 10 per cent exam mark improvement compared to their last examination attempt.

In addition to the regular webinars offered to students, live drop-in sessions were introduced in each of the units to provide students with face-to-face interaction with their respective SMEs to further assist students in their exam preparations.

### CFP® professionals in Australia



CFP Certification enrolments

281

Admitted this year

136

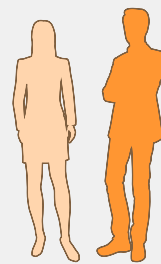
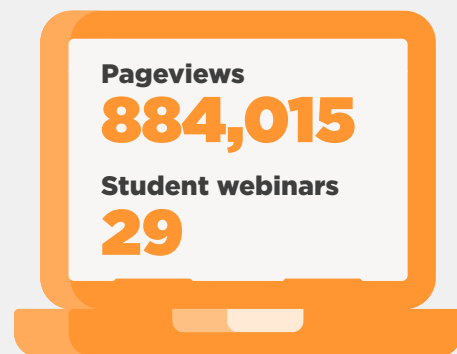
Assignments marked

270

Average exam pass rate

77%

### FPA Learn



Student demographic

68% MALE

32% FEMALE

YOUNGEST STUDENT

24 YRS

OLDEST STUDENT

66 YRS



**Congratulations to the following members who were admitted as CERTIFIED FINANCIAL PLANNER® professionals during 2020/21:**

Fatuma Akalo CFP®	Theodore Holland CFP®	Boris Rikalo CFP®
Luke Andersen CFP®	Mikaela Holmes CFP®	Jerry Rio CFP®
Diana Antonious CFP®	Nathan Horne CFP®	Nathan Ritchie CFP®
Georgina Au-Nheu CFP®	James Horsley CFP®	David Robertson CFP®
Mark Bettinzoli CFP®	Omarr Hussain CFP®	Lyndsay Rushforth CFP®
Alexandra Booth CFP®	Rathakrishna Jeyabalasingam CFP®	Andrew Russell CFP®
Anthonie Bosch CFP®	Robert Johncock CFP®	Hebatalla Salama CFP®
Joel Briggs CFP®	Ben Kemp CFP®	Donald Sampson CFP®
James Broad CFP®	Ken Khoo CFP®	Rebecca Scarrabelotti CFP®
Karl Brooke CFP®	Doohee Kim CFP®	Benjamin Scotta CFP®
Ross Buttenshaw CFP®	Damien Kirby CFP®	Paul Selikman CFP®
Rebecca Cameron CFP®	Steven Lequerica CFP®	Nicholas Shanley CFP®
Nicholas Carter CFP®	Laura Lewis CFP®	Christopher Simm CFP®
Ashleigh Cattanach CFP®	Jiayi (Ted) Liao CFP®	Debra Smith CFP®
Ga Yee Chan CFP®	Danielle Liddy CFP®	Quinton Sosnowski CFP®
Bishal Chhetri CFP®	Hanzhang Liu CFP®	Katherine Spitzkowsky CFP®
Onias Chilimanzi CFP®	Barton Lynch CFP®	Darren Stevens CFP®
Noel Ching CFP®	Derwood Magill CFP®	Marijana Subasic CFP®
Kristina Coffey CFP®	Blake Malcolm CFP®	Robert Tawil CFP®
Andrew Colvin CFP®	Renato Manias CFP®	Samuel Taylor CFP®
Jessica Cooke CFP®	Stephan Marianne CFP®	Declan Thomas CFP®
Bruce Cooper CFP®	Luke Marshall CFP®	Charlene Thompson CFP®
Darla Craven CFP®	Kostas Mavrikios CFP®	Darren Topps CFP®
Daniel Creagan CFP®	Jacob McCudden CFP®	Thi Tran CFP®
Scott Curren CFP®	Leanne McLaughlin CFP®	Paul Turner CFP®
Joanne Dale CFP®	Helen McMillan CFP®	Shylea Ulrick CFP®
Nilam Damania CFP®	Prabhat Mehla CFP®	Remo Venditti CFP®
William Darmawan CFP®	Jason Menzies CFP®	Matthew Voce CFP®
Christine Davie CFP®	Alistair Mettam CFP®	Justin Walch CFP®
Kathleen Dean CFP®	Andrew Nguyen CFP®	Hannah Waller CFP®
Hao Ding CFP®	Katherine Nicol CFP®	Minyu Wang CFP®
Lyn Dixon CFP®	Benjamin Norval CFP®	Annastasia Wells CFP®
Laura Donovan CFP®	Alex O'Loughlin CFP®	Stuart West CFP®
Ziyan Fan CFP®	Dominic O'Neill CFP®	Katharine Whild CFP®
Christine Ferguson CFP®	Rory O'Shaughnessy CFP®	Marc Wierzbicki CFP®
Walter Fleitmann CFP®	Allen Ozdil CFP®	Jonathan Wilkes CFP®
Jamie Forster CFP®	Michael Pavani CFP®	Natasha Willemse CFP®
Zakari Glatthor CFP®	Chloe Pegdon CFP®	Todd Williams CFP®
Andrew Goodhand CFP®	Emma Pittman CFP®	Gabrielle Williams CFP®
Claudia Gould CFP®	Marsel Popov CFP®	Jenny Wong CFP®
Andrew Greve CFP®	Rebecca Poynton CFP®	Nathan Wright CFP®
Philip Hancox CFP®	Matthew Rea CFP®	Huseyin Yaman CFP®
Troy Hart CFP®	Christopher Read CFP®	Panbo Ye CFP®
Andrew Hills CFP®	David Rey CFP®	Seda Zielke CFP®
Joshua Hindle CFP®	Robert Rich CFP®	
David Hodgson CFP®	Simone Richardson CFP®	

# Specialist designations

*In-depth education and ongoing development in speciality areas of advice.*

The FPA's specialist designations are designed for financial planners looking to master and enhance their offering in speciality areas of advice and to maintain these skills on an ongoing basis. Gaining an FPA specialist designation will provide professional recognition of a member's expertise.

## FPA AGED CARE SPECIALIST PROFESSIONAL DESIGNATION

This year, the FPA launched the FPA Aged Care Specialist professional designation in collaboration with Aged Care Steps Accredited Aged Care Professional™ program.

The FPA is committed to providing its members and the wider financial planning profession with the skills and resources to meet the needs of Australians moving into the later stages of their retirement.

FPA members who are CFP® professionals or Financial Planner AFP® members can apply to become an FPA Aged Care Specialist by completing the Aged Care Steps Accredited Aged Care Professional program and committing to complete nine CPD hours in the area of aged care each year to maintain their ongoing training and uphold the designation.

In its first year of launching, there are 157 members who hold the FPA Aged Care Specialist designation.

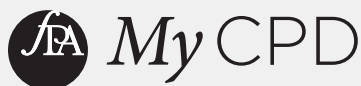


# Continuing professional development

Each year, the FPA provides a comprehensive program of continuing professional development (CPD) via online learning, webinars, podcasts, events and articles. This program is made available through our online FPA My CPD portal.

Our 2020/21 CPD webinar series enabled FPA members to access 56 plus hours of free online learning sessions across practice management, technical, regulatory and professional value capabilities.

We also offer a CPD accreditation service that provides independent evaluation and accreditation of professional development activities outside the FPA, according to our CPD Policy and Accreditation guidelines. This year we accredited 2,341 hours of CPD for the profession. In addition, our CPD partners accredited another 1,000 plus hours of CPD.



**2,341** CPD hours  
accredited by FPA



Access to

**500**

CPD hours of FPA accredited CPD

**120**

hours of free CPD

**100+**

CPD suppliers



**25,369**

searches in FPA My CPD

**28.5%**

increase in new visitors to FPA My CPD

**58,984**

visits to FPA My CPD Tracker



# FPA Scholarships Program

The FPA strongly supports the education and upskilling of all financial planners and prospective financial planners. The FPA is now proudly administering a scholarship program of over \$1.5m, on behalf of generous donors and grant schemes, to provide wider access to education opportunities in financial planning.

## WOMEN IN FINANCE AND ECONOMICS SCHOLARSHIP PROGRAM

Following an open and competitive grant round, in June 2020 the FPA was selected to manage and deliver a \$1.5 million scholarship program for women in finance and economics, as part of the Women's Leadership and Development Program by the Department of the Prime Minister and Cabinet for Women.



Australian Government

Department of the Prime Minister and Cabinet

Over the next two years, the FPA will play a key role in providing scholarships valued at up to \$50,000 each to encourage more women to pursue careers in financial planning, accounting, business, finance and economics, or to renew, upskill or refresh their skills in these areas.

The program funding will deliver scholarships that encourage and assist women, particularly from disadvantaged backgrounds, to enter, re-enter and achieve leadership roles across the financial services sector. These scholarships will help create a talent pool and pipeline for diversity in business leadership for the future.

This appointment was a significant achievement for the FPA, reinforcing the strength of the profession more broadly and recognition of the leadership the FPA has taken through its Women in Financial Planning program which was established to create more networking, mentoring and professional development opportunities specifically for women.

Following this appointment, the FPA is now working with a number of education providers and donors to set up various scholarship offerings.



## CFP® CERTIFICATION SCHOLARSHIPS

In addition to the Women's Leadership and Development Program, the FPA is also supporting scholarships for both men and women to encourage them to study the CFP® Certification Program. Scholarships will be available to paraplanners, Financial Planner AFP® members, those on the Financial Adviser Register, as well as those in their Professional Year.

# Chapter network

FPA members connect locally through a network of 30 Chapters across Australia. Each Chapter has a volunteer Chapter Chair (CFP® professional or Financial Planner AFP® member) and committee who engage with local members and facilitate members to connect and share.

The Chapters are coordinated and strengthened by input from the Regional Chapter Committee (RCC) Board Committee and State Chapter Chair meetings, each held three times per year.

The RCC Board Committee plays a vital role in facilitating two-way communication and engagement across the local Chapter network and direct with the FPA Board.

Given the ongoing COVID-19 health restrictions affecting parts of Australia throughout this year, a large majority of the regular local Chapter events calendar was impacted. As a result, a reduced program took place of 19 in-person Chapter events with 685 total attendees during times when health and social distancing regulations allowed this.

The members of the RCC are:

**Chair:** David Sharpe CFP®

Mark Alexander CFP®

Naomi Alletson AFP®

Susie Erratt CFP®

Michael Smith AFP®

Naomi Mee-Martino CFP®

Gary Jones AFP®

Todd Kennedy CFP®



**Chapter events**

**19**

**Total attendees**

**685**

# Member services and resources

## EDUCATION PROVIDER COURSE DISCOUNTS

This year, we have partnered with several education providers to arrange discounts between 10 and 52 per cent on postgraduate course fees for FPA members.

The discounts are available for courses at:

- Kaplan Professional
- Deakin University
- Swinburne University
- TAFE NSW
- Central Queensland University
- RMIT University
- Queensland University of Technology
- Monarch Institute
- University of Newcastle
- University of New England
- University of South Australia

## PROFESSIONAL YEAR SUPPORT

The FPA provides support to members and businesses conducting the Professional Year standard that all new industry entrants are required to complete before they are qualified as a financial adviser.

To help members and businesses create and deliver a comprehensive training plan for the Professional Year, the FPA offers a Professional Year (PY) tool to simplify and streamline the PY process.

The PY tool has helped to fill a gap in the market and includes a workflow tool for creating and tracking a PY training plan, as well as mentoring and coaching resources. The PY tool offers licensee, supervisor, and candidate views of each step on the PY pathway

and a completion certificate is created automatically when a supervisor confirms all stages are complete for each quarter.

## FPA WELLBEING

Mental health support has been of a high priority this year given the magnitude of critical incidents in Australia and across the world. To support our members, FPA Wellbeing is a free, confidential program offered to FPA members. Available through our partner Benestar®, the service offers no-cost, confidential sessions with qualified counsellors and psychologists via phone, Live Chat or face-to-face.



Members also have access to a library of health and wellbeing resources, available via an app.

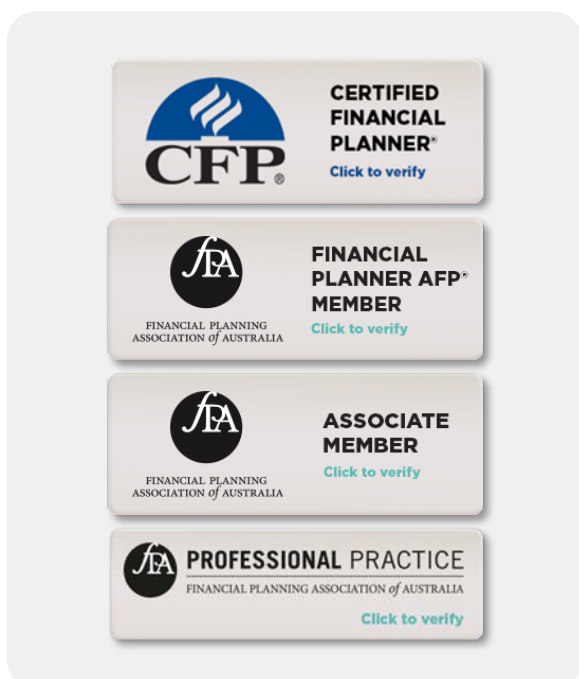
## FPA COMMUNITY

FPA Community is a secure, online discussion forum for FPA members to connect, collaborate and communicate with their peers. FPA Community is also our main channel for seeking member input into policy submissions and consultations. It also provides a platform for members to ask questions, start a discussion or share information. This year, 6,737 members have been active on FPA Community, with 2,384 discussion threads and over 10,900 discussion replies posted.



### DIGITAL MEMBERSHIP BADGE AND CERTIFICATE

FPA members each receive their own personal FPA digital badge and certificate allowing them the opportunity to easily promote and verify their membership visually in an email signature or on a website. The digital badge links to a member's personal online membership certificate which automatically updates each year when a member renews.



### MONEY & LIFE MAGAZINE

FPA's member magazine, Money & Life, continues to be a highly valued resource by FPA members. Ten issues were published and mailed to members this year. The magazine is accompanied by the Money & Life Professionals digital content site and the fortnightly e-newsletter.

### MEMBER COMMUNICATIONS

Helping FPA members keep abreast of the current issues and developments surrounding the rapidly changing landscape of financial planning was an important priority this year.

Weekly e-newsletters and member alerts ensured that members were kept up to date with breaking news and announcements, particularly around policy and advocacy issues. We also published dedicated e-newsletters for FPA student members, academics and those in the FPA Professional Practice and Partner programs.

During the year, the FPA team assisted members by responding to over 8,000 member emails and 5,000 member calls, the majority were regarding member renewals. We worked hard this year to maintain the average response time to inbound member communications and ensured email response times were kept to an average of one working day.





### MEMBER TOOLKITS

The FPA publishes a library of guidance, tools, and online resources for members containing practical guidance to support members in their businesses or provide updates on legislative issues or topics.

This year, the FPA released new guidance on file notes to better help our members manage client record keeping. Well-documented record keeping is crucial in giving financial planners the evidence they need in litigation cases or if they are the subject of a complaint to the Australian Financial Complaints Authority (AFCA).

The guidance provides innovative ways for financial planners to create file notes, including a number of apps that can capture client communications using video or audio recording and convert it to text.

This year we also published for members a new best practice guide on providing risk advice. The FPA Life Risk Advice Guide was developed ahead of the Government's Life Insurance Framework review slated for this year, which aims to improve insurance outcomes for consumers through the role of advice.



The guide maps all of a member's regulatory obligations into a single and easy to understand document to help ensure the delivery of quality life risk advice in line with the FPA Code of Professional Practice alongside the Financial Adviser Code of Ethics and the Tax Agent Service Code of Conduct.

### ETHI-CALL HOTLINE

FPA members are encouraged to take advantage of The Ethics Centre's free hotline, Ethi-call, to confidentially discuss any ethical issues.



Ethi-call sessions are a private one-hour call with an ethics counsellor that offers independent and objective guidance to help you work through an ethical decision. The counsellors are experienced in providing guidance to financial planners. This service is free and is provided and funded by The Ethics Centre.

### MEMBER REWARDS PROGRAM

The FPA is committed to working alongside strategic partners who deliver strong service and value to our members. We partner with Goodlife Health Clubs, The Accommodation Brokers, Lexus, Audi, BMW, MINI and Qantas to provide our members with special offers and discounts.

# Member events

In response to the continued COVID-19 pandemic and necessary restrictions, the FPA adapted its program of events throughout the year as required. By offering a combination of both virtual and face-to-face events, members continued to benefit from learning and connection.

## 2020 FPA VIRTUAL CONGRESS

This year, the FPA offered its flagship event, FPA Professionals Congress, in a virtual format for the first time. It began in July 2020 and ran for four months, attracting over 1,000 registrations.

The program was designed to inspire members to 'reinvent' themselves and their practices. Members were encouraged to face the challenges and embrace the opportunities stemming from both the global pandemic and changing regulations and standards in the profession.

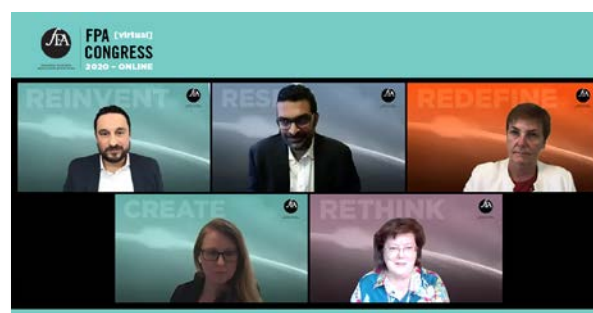
The online program offered members 17 sessions, including a virtual keynote event which showcased the value of financial planning, and was also open to the wider profession and the general public.

## 2021 FPA NATIONAL ROADSHOW

At the start of 2021, when COVID-19 lockdown restrictions had temporarily eased, over 2,000 FPA members were able to register to attend the FPA National Roadshow. We were able to run 29 local Roadshow events during the window of March to June before restrictions forced cancellations of Mackay and Townsville Chapter events. We are currently exploring virtual event formats in order to run the remaining events.

The focus of the Roadshow was to provide an update on the latest policy and reform agenda and the ways the FPA is actively supporting the profession to manage evolving legislation, such as the FPA's fight against the rise in the ASIC Industry Funding Levy. Also new guidance for FPA members on providing best practice risk advice was launched.

Our Roadshow event partners, Zurich and OnePath, shared insights at each event on the key drivers advice leaders have put into play to transform their businesses and what members 'need to know' around the upcoming APRA changes.



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

**FPA [virtual]  
CONGRESS**  
**2020 - ONLINE**



### FPA WOMEN IN FINANCIAL PLANNING PROGRAM

The FPA Women in Financial Planning program (formally known as FPA Women in Wealth) was rebadged to sharpen the FPA's focus on attracting more women into the profession and to foster community, innovation and leadership among existing financial planners. FPA female membership is currently at 27 per cent which compares favourably with the industry average of 20 per cent.

During 2020/21, the FPA presented a webinar series called *Take the handbrake off your success*, covering mind set, influence and communication and the *What a difference a woman makes* masterclass session to celebrate International Women's Day in March 2021.

The FPA Women in Financial Planning champions, our local advocates for female financial planners in our communities, continued to play a key role in raising awareness of financial planning as a career option and contributing to the topics covered in the program.



### CHAPTER EVENTS

FPA Chapter Chairs and Chapter Committees play a vital role in planning and implementing the local events program throughout the year. Chapter events offer members regular opportunities to get together with local peers, as well as hear from expert speakers on professional development topics or support Future2 fundraising initiatives. The COVID-19 restrictions hampered the ability to run many of these events during 2020/21. A total of 19 local events were able to take place and were attended by nearly 700 members.

# FPA Professional Practice program

The FPA Professional Practice program is specifically designed to recognise financial planning practices that go above and beyond, by adhering to the highest professional standards to deliver best practice financial advice in the local community. In 2020/21, there were 189 practices in the FPA Professional Practice program.

The benefits of being an FPA Professional Practice include:

## RECOGNITION

FPA Professional Practices are financial planning practice role models, and employers of choice within their local professional community. They gain access to FPA Professional Practice branding. This unique logo provides immediate, visual recognition when displayed on office signage and business stationery. This year, we also enhanced the visibility of FPA Professional Practices on the FPA Find a Planner directory. The Professional Practice logo now proudly appears in a practice listing and FPA Professional Practices have an exclusive search filter on the tool.

## NEW CLIENT OPPORTUNITIES

FPA Professional Practices have the opportunity to access a national referral program run in partnership with CBUS, providing client leads.

## PROFESSIONAL STANDARDS

The quality of an FPA Professional Practice is instantly recognisable because at least 75 per cent of their practitioners are FPA members and a minimum of 50 per cent have achieved CFP® Professional status (or will become CFP® professionals by 30 June 2024).

## PRACTICE MANAGEMENT SUPPORT

FPA Professional Practices gain exclusive access to a tailored program of Masterclass webinars and workshops with business principal peers, as well as practice management guidance and discounts off a range of FPA and industry services.

## FPA READY INDEX AND CLIENT SURVEY TOOL

The FPA READY Index is a comprehensive, independent business diagnostic tool allowing a practice to benchmark themselves against other practices across five key business areas. It allows practice principals to identify strengths and weaknesses of their business. This year we also launched the accompanying Client Survey tool which allows a practice to get feedback from their clients to benchmark and improve their service levels. Both tools have been built in partnership with CoreData.

## INDUSTRY UPDATES

Regular tailored e-newsletters are shared with FPA Professional Practices throughout the year to provide relevant information and program updates to this community.



**PROFESSIONAL PRACTICE**  
FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA



# FPA Professional Partner program

As part of the FPA's program of membership enhancements to adapt to the current and future needs of the profession, at the end of this year we announced that the FPA Professional Partner program would close from 2021/22. This program was previously open to Australian Financial Services Licensees.

Over the last 10 years, the FPA has had a long and productive history working with financial planning licensees. During this time, financial planning has undergone an unprecedented level of transformation, and so have the needs of our members.

Following a comprehensive review over the past 18 months, a decision has been made to formally cease the FPA Professional Partner Program as of 30 June 2021. The FPA will however look to create new ways to provide opportunities and support to licensees in key areas such as continuing professional development.



# Academic engagement

FPA's close ties with academics at universities across Australia help us to promote financial planning as a career choice, grow the number of financial planning students in Australia, as well as negotiate education offers for FPA members.

## FINANCIAL PLANNING EDUCATION COUNCIL (FPEC)

Established by the FPA, the Financial Planning Education Council (FPEC) is an independent body chartered with raising the standard of financial planning education, and promoting financial planning as a distinct learning area and a career of choice.

During this year, the key focus of FPEC was the continued work to integrate the CFP® Certification Program into Master programs. FPEC has now approved five universities and education partners to deliver this integrated program.

FPEC comprises financial planning practitioners, academics and industry professionals. The 2020/21 members of FPEC are:

**Chair:** Sharon Taylor

Diana Bugarcic

Robert Durand

Dianne Johnson

Ronald McIver

Marc Olynyk AFP®

Vicky Ampoulos

Julian Place CFP®

Rebecca Watt CFP®

Dante De Gori CFP®

## ACADEMIC RESEARCH GRANTS

Through FPEC, the FPA is committed to supporting academic research that furthers the financial planning profession.

The FPEC academic research grants recognise those who demonstrate a commitment to encouraging the development of financial planning as an academic discipline in its own right. High quality academic research into financial planning is also very important to the profession, as it raises the profile and standing of the industry, both in the community and at a policy level.

This year, FPEC announced two research grant award winners:

Elisabeth Sinnewe and team from QUT - research project 'Developing healthy financial habits in young adults: Investigating the relationship between financial literacy, engagement with finances and financial decision-making'.

Professor Chandra Krishnamurti and team from UniSA - research project 'Financial advice regulatory reform: Impacts on cost of provision and lower socio-economic consumer groups' access to advice'.

Each were awarded a grant of \$10,000. The 2020 FPEC Academic Research Grants are sponsored by the FPA and MLC Advice.



**FINANCIAL PLANNING  
EDUCATION COUNCIL**

FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

## FINANCIAL PLANNING RESEARCH JOURNAL

A joint initiative of the FPA and Griffith Business School, the Financial Planning Research Journal is a dedicated academic publication on financial planning. It provides a focal point for research around financial planning that can be used to inform debate and policy, and ultimately raise standards across the profession. It also reinforces the strong links between the FPA and the financial planning academic community.

Available on the FPA website, the journal incorporates peer-reviewed academic articles covering the full spectrum of the financial planning profession. The 2020 journal covered impacts of COVID-19 on investment risk and retirement security, predicting financial risk tolerance and risk-taking behaviour, analysis of the proposed single disciplinary body and the impacts of the Hayne Royal Commission on the operating model of financial advice firms.

## FINANCIAL PLANNING EXCELLENCE RESEARCH AWARDS

The Financial Planning Research Journal (FPRJ) Awards are part of ongoing initiatives by the FPA to provide a platform for academics to discuss issues around personal financial planning and wealth management. In October 2020, the following award winners were announced:

Suzanne Wagland, Sharon Taylor and Levon Blue were named joint recipients of the Best Paper Award, sponsored by Morningstar Canada.

Dianne Johnson from Griffith University was awarded the Early Career Researcher Award and the Conference Travel Award, sponsored by the Academy of Financial Services USA (AFS), with thanks to HSBC.

Each of the winning award teams will receive \$1,500 to promote a global perspective on research in financial planning for the benefit of the profession and the general public.



# Promoting financial planning as a career

This year, the FPA maintained a focus on raising awareness of financial planning as a career of choice among students to grow the number of financial planning students in Australia.

Increasing awareness of the rewarding and varying career opportunities offered in financial planning also will help fulfil the future demands for advice in Australia and attract new talent into the profession.



The constraints of the COVID-19 pandemic meant that our program to engage university students in-person was affected. When restrictions eased, the FPA team and volunteer local FPA members were able to attend some university open days, career expos and present as guests at lectures.

Our series of events to promote careers in financial planning was adapted to be presented virtually in 2020/21. Free to attend, these webinars featured a range of experts in the profession and recent graduates covering topics including what makes a good financial planner, career progression in a recession, unlocking the Professional Year and latest technologies transforming financial planning.

**Unlocking the  
PY & FASEA  
exam**

**Essential  
paraplanning  
skills**

**Motivations,  
missions and  
markets: What  
makes a good  
financial  
planner?**

**Future of the  
financial  
planning  
profession  
(& meet the FPA  
Chair and CEO!)**

**FP: The  
graduate  
experience**

**FP Fintech:  
The latest  
technologies  
transforming  
financial  
planning**

**How to win  
at being a  
financial  
planner**

**CSO to CFP\*:  
Career stages in  
financial  
planning**

**Career  
progression in a  
recession:  
Virtual  
job-seeking tips  
and tricks**



# Professional standards

The Professional Standards Team sits within the Education and Professionalism Department. Its role is to promote the highest standards of professional conduct within the FPA's membership and the wider financial planning industry. It fulfils this role by holding members accountable via the FPA disciplinary powers, and supporting members with advice, guidance and support.

This plays an important role in instilling confidence in FPA members, as their clients, peers and the members of their community know that an FPA Member voluntarily signs up to being held accountable to the highest standards in the industry.

It also allows FPA Members to have confidence that the FPA is actively policing its membership to ensure that only those upholding the highest professional standards will continue in the FPA.

Finally, it allows those who make the rules for the industry as a whole, both regulators and law makers, to have confidence that the FPA is only composed of Members who meet the highest professional standards.

## ACCOUNTABILITY

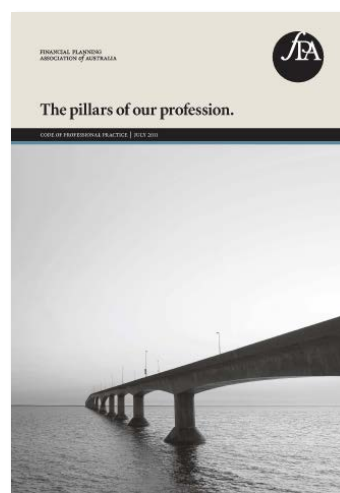
There are two routes by which the FPA holds its members to account, via enforcement of the rules set out in the FPA Constitution and Member Regulations, and via the enforcement of the FPA Code through application of the Disciplinary Regulations and assessment by the Conduct Review Commission.

## COMPLAINTS AND THE CONDUCT REVIEW COMMISSION

The FPA receives complaints about the conduct of its members from consumers and the general public, financial services professionals (including other FPA members) and via FPA Confidential (the FPA's confidential reporting service).

When a complaint is received, the Professional Standards Team will commence an investigation into the conduct alleged, to ascertain if there has been a breach of the FPA's Code. Both parties to a complaint (complainant and member) will be given the opportunity to provide comment

and evidence relating to the allegations. Once this is received, the Professional Standards Team will form a view as to whether there had been a breach of the FPA Code.



In the event that the Professional Standards Team concludes that the Code has been breached, details of the matter along with any relevant evidence will be passed to the Conduct Review Commission to assess and arrive at a determination.

The Conduct Review Commission (CRC) was established by the FPA as its independent complaint's review tribunal. It is composed of a Chair, two deputy Chairs, and up to 10 members drawn from CFP® Practitioners, Financial Services Professionals and Consumer Representatives.

If, following a referral by the Professional Standards Team, it determines that there has been a breach of the FPA Code, the CRC can apply a range of sanctions, ranging from issuing a warning to fines, expulsion from the FPA and removal of the CFP designation.

In 2020/21, the FPA's Professional Standards program resulted in the following activity and results:

### **The FPA received eight formal complaints over the course of the year and closed seven complaints.**

We terminated the memberships of two FPA members under clause 16 of the FPA Constitution:

- Bradley Smith – banned by ASIC
- Gavin Fineff – not a fit and proper person.

Of the 29 ASIC bans in 2020/21, one related to a current member of the FPA (Bradley Smith)

The CRC conducted one disciplinary hearing and handed down a decision of breach in that matter.

- Stephen Blizzard – decision issued 29 March, fined for failures of diligence

Seven applications for membership were reviewed by exception, with one recommendation for rejection.

No instances of academic misconduct were referred to Professional Standards by the FPA education team.

## **THE FPA CONSTITUTION AND MEMBER REGULATIONS**

The FPA Constitution and Member Regulations reserve certain powers relating to the conduct of FPA members to the FPA Board. This includes the power to suspend or remove the membership from members whose conduct calls into question their standing as a fit and proper person to hold membership. It also includes the power to approve or deny applicants for membership whose history includes one or more specified events (for example criminal convictions, disciplinary proceedings by another professional association etc).

The Professional Standards Team assists the Board in this work by collecting relevant evidence and producing a recommendation for the Board based on that evidence, other relevant factors and previous Board decisions. The Professional Standards Team will then communicate that outcome to the applicant or member in question.

## **SUPPORT AND GUIDANCE**

The Professional Accountability Team supports FPA members in upholding the highest professional standards both via responding to individual queries from members regarding best practice and compliance with the FPA Code. The FPA also responded to many requests for guidance and clarification from members of the public. In the last financial year, the Professional Standards Team responded to over 300 enquiries, nearly twice the number from the previous financial year.

## CPD AND DESIGNATIONS AUDIT

Maintaining high professional development standards within the FPA membership is an important priority. Typically, the FPA conducts two Continuing Professional Development (CPD) audits each year. The auditing process is designed to help practitioner members meet their CPD obligations, and ensure correct use of FPA and CFP® certification branding.

Due to the demands of the FASEA legislative requirements and the unexpected challenges placed on our members because of COVID-19, we made the decision to relax the CPD audit requirements during 2020.

For this reason, we only audited CFP professional members this year (a requirement of our license to deliver the CFP designation training under the FPSB) and reduced our normal two audits to one, which took place in March 2021.

The FPA works closely with members to obtain a favourable outcome in relation to a CPD audit. If a member's CPD record is found to be in deficit and they fail the audit, the member will be asked to prepare a plan to rectify this and the member will be audited again in the next available audit.

If the member fails the audit a second time, the matter will be referred to the FPA Professional Accountability team for potential disciplinary action.

Where a member fails to respond to an audit, they will be selected automatically for the next audit. Failure to cooperate with the audit process will result in disciplinary proceedings being brought against the member.







# Advocacy

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## ***FPA strategic priority***

*FPA to be the voice of the profession*

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# Advocating for affordability and sustainability

*2020/21 was another busy year for FPA advocacy.*

## POLICY PLATFORM

Throughout the year, FPA continued to respond to the challenges of the COVID-19 pandemic, the changed business conditions and requests from members for support and relief measures.

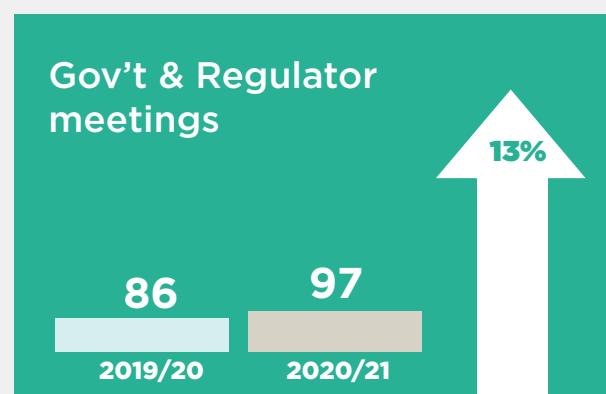
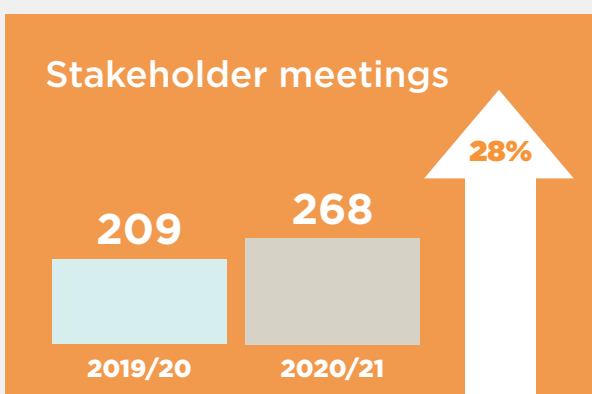
After launching FPA's new policy platform - Affordable Advice, Sustainable Profession - in June 2020, we made substantial progress on a range of key recommendations.

The Government's priority continued to be responding to the Financial Services Royal Commission and the FPA worked closely with Minister Hume and the Treasury to ensure its members' interests were represented in this process.

We also began preparing for major reviews into the regulation of financial advice being conducted by the Treasury (in response to Royal Commission recommendation 2.3) and the Australian Law Reform Commission.

During the year, the FPA policy and advocacy team spent time consolidating relationships with key Ministers and continued efforts to lead the public debate on the future of financial advice.

Also this year, FPA members were highly engaged in advocacy on an individual and local level. Many took the time to raise issues directly with local MPs supported by FPA advocacy tools. Together, our persistent advocacy efforts were effective in ensuring the impact of the policy issues are clearly understood by Government leading to improved legislation and moves by regulators to clarify a number of regulatory issues.



# FPA POLICY PLATFORM: AFFORDABLE ADVICE, SUSTAINABLE PROFESSION

## YEAR ONE PROGRESS



### REGULATION

**1.1** Single disciplinary body



**1.2** Single registration



**1.3** Single set of fees



**1.4** Single set of professional standards



### CONSUMER PROTECTION

**2.1** General Advice



**2.2** Restricted and like terms protected



**2.3** Sophisticated Investor



**2.4** PI Insurance



### LICENSING OF INDIVIDUALS

**3.1** Professional registration



**3.2** Separation of product and advice



**3.3** Future of licensees



**3.4** Tax and Centrelink agent status



### TECHNOLOGY

**4.1** Access to data



**4.2** Electronic disclosures and transactions



### COST OF FINANCIAL ADVICE

**5.1** Ability to buy the advice you want



**5.2** Small investment advice



**5.3** tax deductibility of advice



**5.4** Fees from super



**5.5** Insurance advice fees



TO BE COMMENCED

IN PROGRESS

COMPLETED

### BUDGET

The 2020/21 financial year was unusual in that it contained two federal budgets. The first was the 2020/21 budget which was delayed from May to October 2020. The second was the 2021/22 budget delivered in May 2021.

The FPA provided a supplement to its budget submission for 2020/21 ahead of its October release. In this submission, we heightened our focus on the cost of operating as a financial planner. We also made recommendations for the Government to focus on reducing compliance costs, ensuring the professional indemnity insurance market provides affordable insurance, and considers making financial advice tax deductible.

We followed on with these themes in the FPA's submission to the 2021/22 budget in May 2021. We again drew attention to the rapidly increasing costs for financial planners, including the ASIC industry levy and the potential new costs from a new disciplinary system and a compensation scheme of last resort.

### FASEA

In 2020/21, over 6,656 financial planners sat and passed the Financial Adviser Standards and Ethics Authority (FASEA) professional exam ahead of the adjusted deadline of 1 January 2022, bringing the total number who had passed to 13,500 at the end of July 2021.

A critical issue for the FPA was ensuring that financial planners who did not receive a pass mark in the exam were given enough support and feedback to ensure they had a fair shot at passing the exam on their next attempt. We supported FASEA's work to provide better feedback to unsuccessful candidates and further information on applications to remark an exam.

In November 2020, the Government announced that it would abolish FASEA and move its standard-setting function to the Minister for Financial Services. This decision was confirmed in the 2021/22 budget and legislation to effect the change was introduced into Parliament in June 2021. The FPA supported this decision as a method of reducing costs for financial planners. The future funding of FASEA had the potential to add around \$5 million per annum to the amount

needing to be recovered from the financial advice profession.

The FPA recognises that winding up FASEA does not change the need for financial planners to comply with the professional standards FASEA has created, nor the need for further adjustments to those standards to ensure they are effective and workable in application. We will continue to work with the Government and FASEA in the second half of 2021 to progress these changes.

### ASIC

The FPA's longstanding concern about the cost to operate as a financial planner was brought to a head in early 2021 as ASIC announced the industry levy would again increase for financial planners. ASIC announced its budget for the latest levy year (2019/20) had blown out from around \$40 million to more than \$56 million and the result was an increase in the per-planner levy amount of more than 110 per cent compared to the previous year.

Since the levy result was announced in March 2021, the FPA has conducted an advocacy campaign with the aim of getting the Government to agree to review the operation of the ASIC industry levy and put in place measures to limit its growth. The campaign has benefitted from an unprecedented level of support from FPA members, with hundreds of members reporting that they had contacted their local MP to raise this issue.

Throughout the year, we also worked with ASIC to improve the guidance and support that it provides to financial planners. In particular, the FPA has been able to work with ASIC on the outputs of the Consultation paper 332: Affordable Advice Measures to provide clearer guidance to the profession on ASIC regulations including the use of FAQs and case studies, increased use of Records of Advice (ROA) versus Statements of Advice (SOA), and encouraging the creation of more engaging and efficient advice creation.

The FPA also worked closely with ASIC on COVID-19 relief measures including where ROAs could be provided instead of an SOA, as well as preparing for the new regulatory changes in relation to ongoing fee arrangements and fee disclosure statement obligations commencing

in July 2021 and the design and distribution obligations and breach reporting which will commence in October 2021.

### ROYAL COMMISSION

The recommendations of the Financial Services Royal Commission continue to be the key focus for the Government for reform in financial advice.

In December 2020, the Parliament passed the first of two Bills to implement Royal Commission recommendations. In this case, the Bill largely related to insurance products and included new regulation for claims handling and settling services. In response to concern from the FPA that financial planners would be unintentionally caught up in this reform, in April 2021 the Government issued regulations that specifically exclude financial planners from the scope of these new requirements.

In February 2021, the Parliament passed a second reform Bill, which included substantial changes to the regulation of ongoing fee arrangements, disclosure of lack of independence and taking of advice fees from superannuation. While the FPA welcomed a draft of this Bill as a significant improvement over previous arrangements, changes made after the consultation draft have resulted in unworkable transition arrangements. The FPA has worked closely with the Government to find a solution to this problem, with the Government issuing regulations in June 2021 to provide financial planners with more flexibility in how they meet the transition year requirements.

With the Government's response to the Financial Services Royal Commission deferred by six months due to the COVID-19 pandemic, the final substantive recommendations were expected to be implemented by 30 June 2021, but have seen further delays into the 2021/22 financial year. These final recommendations include establishing a new disciplinary system for financial planners (recommendation 2.10) and the creation of a compensation scheme of last resort (recommendation 7.1).

Throughout 2020/21, the FPA has engaged with the Government and Treasury over the design of the single disciplinary function. This culminated in a major submission in response to draft legislation released by the Treasury in May 2021.

The Government introduced legislation into the House of Representatives on 24 June 2021 to establish the new disciplinary function and is expected to pass through Parliament before the end of 2021.

The creation of a compensation scheme of last resort remains an outstanding part of the Government's response to the Financial Services Royal Commission. After some intensive consultation with the Treasury in early 2020, the FPA has continued to push to ensure any scheme is designed to minimise additional costs to financial planners and fairly apportion risk across the financial services sector.

### REVIEWS

As part of its response to recommendation 2.3 of the Financial Services Royal Commission, the Government has committed to reviewing measures to improve the quality of financial advice. While the review is not due to be completed until 2022, the FPA has already commenced engaging with the Treasury about the scope and methodology of the review.

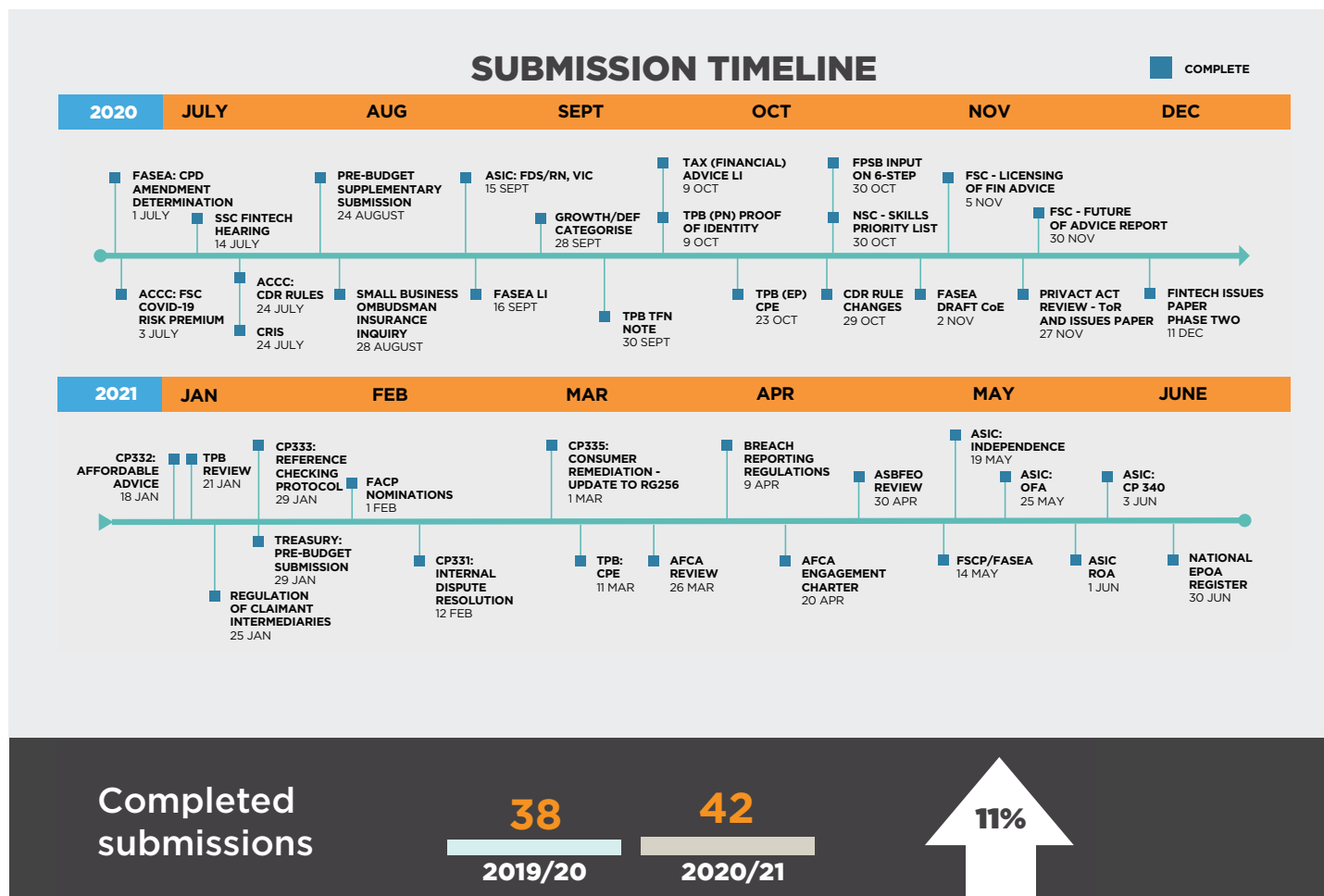
This review will also now cover the Government's proposal to review the Life Insurance Framework (LIF), which has been underway in ASIC since 2019. The FPA, along with the Association of Financial Advisers, created a LIF Taskforce to ensure industry views are being considered in this review.

In addition to these internal Government reviews, the Treasurer has asked the Australian Law Reform Commission (ALRC) to conduct a review of the legislative framework for regulating financial services contained in the Corporations Act 2001. The ALRC review will include a specific look at chapter seven of the Corporations Act and consider whether it needs to be reframed or restructured. While the ALRC review is not due to be completed until 2023, the FPA has already held a number of meetings with the ALRC to explore these issues. The ALRC review is a unique opportunity to make fundamental changes to the way financial advice is regulated in Australia. The FPA will continue to commit significant resources to ensure this opportunity is realised.



## SUBMISSIONS

A total of 42 submissions were completed during this year. The below timeline outlines the public submissions made.



## SUBMISSIONS MADE DURING 2020/21 FINANCIAL YEAR

1 July 2020

### FASEA: CPD Amendment Determination

To assist advisers in meeting their CPD requirements in the current COVID-19 impacted CPD year, FASEA consulted on its proposal to grant advisers an additional three months to meet the 40-hour CPD requirement. This three month extension is a one-off recognition of the difficulties faced by advisers this year. Advisers will be required to complete 40 hours of CPD in 12 months in future CPD years and may not double count hours across the years.

The FPA supported the 3 months extension to meet CPD.

**3 July 2020**

***ACCC: Financial Services Council's application for authorisation AA1000494 – draft determination***

FSC applied to the ACCC to allow “participating life insurers” to not apply a risk premium to health care workers exposed to COVID-19 for a 12 month period within a minimum set of cover and premium levels.

The FPA supported the FSC application on the basis that concerns by other parties have been addressed and the proposals are in the interest of health care workers.

**14 July 2020**

***Senate Select Committee - Fintech and Regtech - Questions on Notice***

The FPA recommended that a national API (application programming interface) framework and security standard for fintech and regtech be developed, along with the provision of grants and tax incentives for development of integration in technology solutions.

**24 July 2020**

***ASIC: Cost Recovery Implementation Statement (CRIS)***

ASIC published its draft Cost Recovery Implementation Statement (CRIS) 2019-20. The CRIS detailed ASIC's actual regulatory costs for 2018-19 and provided an estimate of costs for 2019-20. The estimated costs were published to give industry an indication of what levy costs to expect.

The FPA highlighted that a 68 per cent increase over two years is unacceptable. We also highlighted the lack of transparency in ASIC reporting - costs to be recovered and reports on regulatory activity are too high level to determine appropriate allocation of cost recovery. We recommended that ESA / Wealth Management Portfolio activity should be collected through the large institutions levy, not as a personal advice levy. We also recommended that providers of personal financial advice should be excluded from the insurance distributors levy, or the LIF activity should be collected via the insurance distributors levy. We noted the low level of expenditure on preventive activity such as policy advice and guidance and recommended that levies must be adjusted to account for ASIC work delayed due to COVID-19.

**24 July 2020**

### ***ACCC: Consumer Data Rights Rules***

ACCC released draft rules for the CDR framework which includes financial planners as being designated receivers of CDR information.

The FPA recommended the implementation of the CDR should use existing registrations and processes to reduce duplicate administration/registration.

We also called for clarity on the costs associated with registering, how often a principal or provider is required to renew their registration and at what cost, whether information on the register can be updated and at what cost, and what sort of costs there may be to terminate the registration.

Consumers are able to authorise their financial planner as a 'principal' as part of the existing process for authorising planners as a client's representative.

**24 August 2020**

### ***Treasury: Pre-Budget supplementary submission***

The Minister for Housing and Assistant Treasurer called for further submissions from individuals, businesses and community groups on their views regarding priorities for the 2020-21 Budget.

The FPA reiterated aspects of our Pre-Budget submission from February, and requested additional regulatory support from ASIC due to COVID-19, regulatory cost assistance, implementation of the single disciplinary body to be appropriately funded, and to support a national approach to fintech integrations.

**28 August 2020**

### ***Australian Small Business and Family Enterprise Ombudsman: Insurance Inquiry***

The FPA highlighted issues with professional indemnity (PI) and other forms of insurance for small financial planning businesses, and recommended the Government undertake a review of the availability and affordability of PI insurance for financial advice providers in Australia.

**15 September 2020**

### ***ASIC: No Action Letter - Victoria, COVID-19, FDS/Renewal Notices***

Confidential consultation on the continuation of the COVID-19 advice relief for Victorian financial planners following FPA advocacy.

The FPA supported the extension of relief and fee disclosure statement (FDS) no action position for Victoria state.

**16 September 2020**

***FASEA: Draft Education Legislative Instrument (LI)***

Updated list of education approved for recognition of prior learning.

The FPA continued pushing for recognition of different CFP® Certification pathways for members and additional recognition of FPA Life Risk Specialist LRS and FPA Accredited Estate Planning Strategist AEPS.

**28 September 2020**

***Conexus Institute: Consultation on growth/defensive asset categorisation***

The Conexus Institute proposed a categorisation protocol for growth/defensive product classification. While this was a private think tank, the aim was to take a finalised protocol to ASIC and APRA for implementation across the financial product market.

The FPA supported the development of a categorisation protocol. We noted the complexity of the proposed model and recommended that tools and guidance be provided if it is implemented. Further the protocol will only be successful if it is monitored and policed by ratings agencies and regulators.

**30 September 2020**

***TPB: TFN draft practice note***

The Tax Practitioners Board (TPB) released this draft practice note to provide practical guidance and assistance to registered tax practitioners in relation to using and disclosing a client's tax file number (TFN) and TFN information in email communications.

The FPA supported the drafting of the guidance note.

**9 October 2020**

***TPB: Tax (financial) advice service legislative instrument and explanatory statement***

The TPB re-released a confidential consultation draft of a legislative instrument to allow tax (financial) advisers to represent clients with the ATO Commissioner in relation to:

- Applying for a TFN
- Applying for an ABN to establish a SMSF
- Assisting clients with excess contribution tax notifications
- Assisting clients with Division 293 and 294 notifications
- Assisting clients with transfer balance cap breaches.

The FPA was supportive of all elements of the legislative instrument. We worked with CPA, CAANZ, IPA and SMSFA to address concerns the three former associations had in relation to the LI. Consensus was obtained on progressing the LI in relation to everything other than TFN and ABN application. This would include an ability for tax (financial) advisers to access the ATO portals on a read only basis.



**9 October 2020**

***TPB: Exposure Draft TPB practice note TPB (PN) D43/2020 Proof of identity requirements***

The TPB prepared this draft practice note setting out the TPB's proposed proof of identity requirements.

The FPA supported the TPB drafting but encouraged the TPB to consider remote ID verification as highlighted as an issue during COVID-19 lockdowns.

**23 October 2020**

***TPB: (EP) 04/2012 CPE***

The TPB concluded its public consultation on its continuing professional education (CPE) requirements in early 2020. The feedback received was considered by the TPB, and significant changes have been made to the requirements:

- Increase the CPE hours requirement to 120 hours over a three-year period for all tax practitioners, with a minimum annual requirement of 20 hours.
- Decrease the record keeping requirement from six years to five years.
- All other requirements with regards to the TPB's CPE policy remain materially unchanged.

The FPA recommended the TPB apply the FASEA CPD standard for tax (financial) advisers on the basis that:

- The TPB has not identified any areas of tax (financial) advice services which are not financial advice services
- The FASEA standards are a significant increase on the TPB's previous standard and therefore achieve the TPBs intent.
- A separate standard could lead to additional CPE burden on tax (financial) advisers.

**29 October 2020**

***ACCC: CDR Rule Changes***

The ACCC was seeking views on changes to the Competition and Consumer (Consumer Data Right) Rules 2020. These changes are intended to expand the Rules and allow for the entry of a greater number and type of businesses in Consumer Data Right. The key proposals included:

- Changes to the accreditation process to include new restricted tiers of accreditation
- Rules to allow consumers to consent to the disclosure of Consumer Data Right data to third parties
- Increased functionality to improve consumer experience.

The FPA recommended the ACCC use protected terms to describe financial planners in their rules rather than the term "financial adviser" and that the rules are expanded to cover AFSLs on the basis of monitoring and supervision requirements of authorised financial planners will require the AFSL to be classed as an authorised data recipient.

**30 October 2020**

### ***FPSB: Input on Explanation of Six-Step Financial Planning Process***

The FPSB Professional Standards Committee consulted on the explanatory language used in the six-step financial planning process.

The FPA was supportive of the language, however recommended a preamble or introduction be included to highlight to consumers that the six-step financial planning process is used by financial planners to meet their regulatory obligations.

**30 October 2020**

### ***National Skills Commission: Skills Priority List Survey***

The National Skills Commission has developed a survey to identify a national Skills Priority List. The survey seeks to capture information on recruitment difficulties and skills needs across as many different occupations and industries as possible. Data gathered from the survey will inform the development of the Skills Priority List (SPL).

The FPA highlighted the skills shortage in the financial planning profession based on the professional year and the need to encourage and support students and graduates seeking to move into a financial planning career.

**2 November 2020**

### ***FASEA: Draft guidance on Code of Ethics***

Following consultation with stakeholders in 2019 and early 2020, FASEA released the draft Financial Planners & Advisers Code of Ethics 2019 Guide for consultation.

The draft guide provided an explanation of the intent and application of the Code's values and standards. It used fundamental questions to help illustrate the Code and highlighted the requirement for advisers to exercise their professional judgement in the best interests of their client guided by the values and standards of the Code.

Generally, this draft of the FASEA Code of Ethics Guidance was an improvement on earlier versions. However, the FPA recommended that FASEA has more work to do to provide clarity and certainty for the profession. In particular, FASEA should consolidate its guidance together, and provide more case studies.

The FPA provided specific recommendations on the guidance in relation to Standards 1 – 9 to improve the guidance and ensure there is clarity on where subordinate legislation fits in the regulatory framework.

**5 November 2020**

### ***FSC - Licensing of financial advice***

The FSC'S Advice Licensing and Compliance Working Group had been working on designs for a dual licensing framework for financial advice. It would split responsibilities between licensees and advisers.

The FPA does not support a dual licensing framework which would require financial planners to register directly with a regulator and still be authorised by a licensee.

**27 November 2020**

***AGD: Privacy Act review - terms of reference and issues paper (FED)***

Attorney-General's Department released the terms of reference and issues paper for a wide-ranging review of the Privacy Act 1988 (the Privacy Act). The Government committed to a review following the Australian Competition and Consumer Commission's Digital Platforms Inquiry in 2019.

The FPA used the review to highlight the challenges posed on a financial planner in the multiple regulatory environments we operate under, noting that several proposed measures would oppose legal obligations required to be complied with by financial planners such as mandatory deletion obligations.

**30 November 2020**

***FSC - Future of Advice Report***

The FSC released its Future of Advice report which included substantial proposals for financial advice.

While the report identified many of the challenges faced by financial planners, the FPA highlighted that the proposals recommended in the report would not achieve the desired outcome of making advice more accessible and affordable to consumers. This includes the dual registration of financial planners with a regulator and licensees, as well as a low cap on tax deductibility of advice. Further, the proposed "simplification of advice delivery" appears to increase the complexity of advice provision through adding more rules rather than simplifying. The FPA recommended that the FSC consider supporting the FPA's Policy Platform to better align the objectives the FSC are looking to achieve.

**11 December 2020**

***Senate Select Committee on Financial and Regulatory Technology: FinTech Issues Paper phase two***

The Senate Select Committee on Financial Technology and Regulatory Technology called for further submissions in its investigation of longer-term issues.

The FPA supported the introduction of the Consumer Data Right to superannuation.

**18 January 2021**

***Consultation Paper 332: Promoting access to affordable advice for consumers (CP 332)***

CP 332 sought input from industry participants and relevant stakeholders to help ASIC understand:

- The issues and impediments relating to the supply of good quality affordable personal advice
- The practical steps that can be taken by ASIC and industry to improve consumer access to good quality affordable advice.

The FPA primarily encouraged members to provide direct feedback to ASIC. Noting the reticence of some members, the FPA submitted anonymised submissions on behalf of some members and provided an FPA consolidated submission. The FPA used the consultation paper to again share the FPA's policy platform recommendations with ASIC and reinforced our positions with feedback provided by members.

*21 January 2021*

### *TPB: TPB Review Response*

The TPB asked for Association feedback on the Government's response to the TPB Review Report.

The FPA in principle supported the development of a single disciplinary and registration framework for financial planners, however, noted the benefits of TPB registration for tax (financial) advisers for the purpose of ATO Portal access. Outside of this, the FPA supported enhancing the independence and budgetary certainty of the TPB, and enhanced flexibility in amending the TASA Code.

*25 January 2021*

### *Regulation of Claimant Intermediaries*

The exposure draft regulations prescribed circumstances in which a person is not a claimant intermediary.

The FPA supported the exemption of financial planners as claimant intermediaries but requested clarification from Treasury on the operation of the exemption.

*29 January 2021*

### *Consultation Paper 333: ASIC Reference Checking Protocol*

This consultation paper sought feedback on the proposed approach to implementing aspects of the law reform arising from Royal Commission Recommendations 1.6 and 2.7. These recommendations relate to the reference checking and information sharing protocol for financial advisers and mortgage brokers.

The FPA supported the reference checking framework but again recommended that a register of reference checking contacts be established and maintained by ASIC.

*29 January 2021*

### *Treasury: Pre-Budget Submission*

The Minister for Housing and Assistant Treasurer called for submissions from individuals, businesses and community groups on their views regarding priorities for the 2021-22 Budget.

The FPA made the following recommendations:

- Consolidate a schedule of fees and charges payable by financial planners as per policy platform recommendation 1.3
- Review the ASIC industry levy with a view to constraining the rate of increase and making it more predictable for financial planners
- TPB - ATO portal access
- SDB design needs to be cost effective
- CSLR - base must be broader than just financial planners as that won't be enough to cover costs - must minimise call on CSLR by ensuring compensation is paid by responsible parties.
- Tax deductibility of financial advice.



**8 February 2021**

### ***FACP Nominations***

ASIC requested two nominations for the Financial Advice Consultative Panel (FACP) from the FPA. The FPA made two nominations and Delma Newton CFP® was successfully included on the Panel.

**12 February 2021**

### ***ASIC CP 331: Addendum to Internal Dispute Resolution***

ASIC sought further feedback on proposed requirements for internal dispute resolution data reporting. The FPA called for further clarity on the 'consumer/business vulnerability' data element especially its implementation, how it's captured and whether it plays a role in disciplinary action. The FPA also recommended some benchmark for IDR/EDR performance. We supported the reduction of data elements to align the IDR and EDR reporting requirements and quarterly reporting periods.

**1 March 2021**

### ***ASIC CP 335: Consumer Remediation: Update to RG256***

CP 335 gives industry and stakeholders the opportunity to provide feedback about the challenges they face in designing and executing remediations. It includes real-life case studies based on remediations in which ASIC has been directly involved.

The FPA recommended that updated RG256 should be consistent with and clarify new requirements in the Act for all licensees; payment options for small licensees in appropriate circumstances; clear application of product failures to product providers; apply to Tier 1 breaches only - 'reportable situations' and errors, not Tier 2 (industry codes, consumer expectations and business values) as proposed; remove the seven year cap for gross misconduct and serious fraud; put in place guidelines for the use of 'beneficial assumptions'; review the use of the RBA cash rate for calculating compensation; and that unclaimed moneys from advice remediation programs and investigations be lodge in a pool of funds for the CSLR which the government has committed to establishing.

**11 March 2021**

### ***TPB: CPE Consultation***

The TPB proposed the amendment of their CPE (CPD) standards to require all registered tax agents to complete 120 hours of CPE over a three year period.

In line with our previous submissions to the TPB on CPE for TFAs, the FPA recommended the TPB unconditionally accept CPE completed for FASEA CPD standard as meeting its CPE requirements.

26 March 2021

## Treasury: AFCA Review

The review provided an opportunity for feedback on the operation of the Australian Financial Complaints Authority (AFCA) since its establishment and to consider whether further enhancements should be made to ensure the external dispute resolution (EDR) scheme is appropriately calibrated and operating effectively.

The FPA recommended that:

- Treasury, ASIC and AFCA consider, rationalise and provide details of the interaction of the licensee remediation obligations in the FSRC Act 2020, the enforcement of the FASEA Code by the FSCP, the rights of the consumer to recover damages for a contravention of s921E under s1324 of the Corporations Act, and ASIC's updated RG256: Consumer remediation, IDR and EDR
- AFCA Rule A.17: Systemic issues should be amended to restrict AFCA to the identification and notification of systemic issues only. IDR and EDR complaints that fall under the new investigations and compensation obligations in s912EA and s912EB of the FSRC 2020 Act should be transferred to the appropriate licensee remediation process or program
- AFCA's operational guidelines ensure only external experts of significant and broad industry expertise, and professional level qualifications are obtained to provide expert reports as part of the complaints hearing process
- Frivolous complaints should not be permitted to proceed through the EDR process if AFCA resolution points find no wrongdoing and in favour of the planner and no compensation is awarded to the consumer
- AFCA considers the introduction of a dispute lodgement fee where a consumer disagrees with the initial AFCA assessment and requests escalation of the complaint.
- AFCA incorporates into its fee model an appropriate methodology for the sharing of fees for frivolous, vexatious and malicious complaints across the relevant industry sector
- AFCA collects data in relation to frivolous, vexatious and malicious complaints, including the costs of such complaints on Firms and AFCA resources
- Complainant third party representatives' practices should be investigated and reviewed by AFCA
- The three year review of the AFCA funding model be conducted under the lens of the EDR principles.

9 April 2021

## Treasury: Breach Reporting Regulations

These regulations proposed to:

- Prescribe civil penalty provisions that are not taken to be significant (and therefore may not be reportable) under the relevant breach reporting regime if those provisions are contravened
- Ensure certain breach reporting offences and civil penalty provisions are subject to an infringement notice
- Make minor and technical amendments, including updating references to the Corporations Act.

Treasury has amended the regulations taking into account significant FPA feedback on the penalty provisions. The FPA proposed further minor amendments in three areas.

*20 April 2021*

### *AFCA: Engagement Charter*

The purpose of this consultation paper was to seek comment about AFCA's draft Engagement Charter from key stakeholders. The draft Charter outlined the service standards parties can expect of the dispute resolution services that AFCA provides. AFCA also had expectations of how participants will conduct themselves in its complaint handling and systemic issues processes.

The FPA supported the draft regulations as proposed.

*30 April 2021*

### *ASBFEO: ASBFEO Review*

Independent Review of the functions of the Australian Small Business and Family Enterprise Ombudsman.

FPA supported the assistance and advocacy role of the ASBFEO and suggested the Ombudsman should have stronger powers to improve dispute outcomes for small businesses.

*14 May 2021*

### *Treasury: Single Disciplinary Body for Financial Advisers*

The draft Bill expands the role of the Financial Services and Credit Panel within ASIC to operate as the single disciplinary body for financial advisers including an obligation to register with the FSCP. The draft Bill also creates new penalties and sanctions which apply to financial advisers found to have breached their obligations and introduces a new annual registration system for financial advisers.

The draft Bill also provides for the wind-up of the Financial Adviser Standards and Ethics Authority and the transfer of the functions of that Authority to the Minister responsible for the Corporations Act 2001 and ASIC.

The draft Bill also implements the Government's response to recommendation 7.1 of the Independent Review of the Tax Practitioners Board by introducing a single registration and disciplinary system for financial advisers who provide tax (financial) advice services.

The FPA broadly supported the drafting of the legislated changes with the following recommendations:

- Registration should be an individual obligation
- The FSCP should have the ability to set administrative warnings and sanctions without the need to convene a panel
- The Minister and ASIC should use advisory panels to support the setting of standards
- Amendments to the sanctions framework and reporting
- Minor amendments to the standards setting functions
- Removal of tax (financial) advice from TASA and TPB.

*19 May 2021*

***ASIC: Lack of Independence Disclosure***

ASIC consulted on an information sheet to assist AFSs in disclosing non-independence.

The FPA supported the draft information sheet with some minor amendments.

*25 May 2021*

***ASIC: Information Sheet Ongoing Fee Arrangements***

ASIC consulted on a series of information sheets for the upcoming FDS and ongoing fee arrangement disclosure requirements.

The FPA supported the drafted information sheets with some minor amendments. We recommended an FAQ be created to answer common member questions.

*1 June 2021*

***ASIC: Sample ROA***

ASIC created a new sample ROA following reviews of ROAs used during the COVID-19 Relief provisions.

The FPA recommended some minor amendments to the ROA designed by ASIC.

*3 June 2021*

***ASIC: CP 340: Breach Reporting Regime***

ASIC's draft regulatory guide reflected reforms made to the breach reporting regime under the Financial Sector Reform (Hayne Royal Commission Response) Act 2020. These reforms clarify and strengthen the existing obligation on AFS licensees to self-report certain breaches of the law to ASIC and extend the obligation to credit licensees.

The FPA supported the update of RG78 to take into account the new breach reporting changes effective 1 October 2021 and also a new info sheet on the new obligations to notify, investigate and remediate. Recommendations/suggestions included clarity on some aspects on the obligations as well as further examples.



*30 June 2021*

### *AGD: National EPOA Register*

Consultation on a mandatory national registration scheme for enduring powers of attorney relating to financial matters has been proposed as one way to reduce the financial abuse of older Australians.

The FPA recommended that:

- Financial planners and advisers registered on the FAR be given ongoing real time access to search and read full details of EPOAs on the National Register
- There should be no fee to search the register
- Verification of the EPOA should require a signature from a legal practitioner
- Verified attorney ID should be stored on the register
- Only active historic EPOAs should be required to be registered, however historic EPOAs that are not yet active may be registered
- Loss of capacity should be indicated in the relevant EPOA
- Land titles register and EPOA registers should be linked.

# Consumers

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## ***FPA strategic priority***

*To showcase the value of financial advice among all Australians, increasing awareness and use of financial planners*

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# Pro bono work

## CANCER COUNCIL PRO BONO FINANCIAL PLANNING PROGRAM

The FPA partners with the Cancer Council to support a national referral program helping families affected by cancer who are unable to afford the cost of financial advice.

There are 128 CFP® professional and Financial Planner AFP® members registered for the program and we sincerely thank them for generously donating their time to help cancer patients and their families with a wide range of financial issues on a pro bono basis. This year, 116 client cases were provided pro bono financial advice.



## FINANCIAL PLANNING BUSHFIRE PRO BONO PROGRAM

In the aftermath of the 2019/20 Australian bushfire disaster, FPA members came together to offer the Financial Planning Bushfire Pro Bono Program to help those impacted to rebuild financially. This was a joint initiative of the FPA and the Association of Financial Advisers (AFA).

There are 68 financial planners registered and available to offer pro bono financial advice to those impacted.



### Cancer Council Pro Bono Financial Planning Program

**128** CFP® professional or AFP® members registered

**116** client cases provided advice in 2019/20

### Financial Planning Bushfire Pro Bono Program

**68** Financial planners registered

# Raising awareness of financial planning

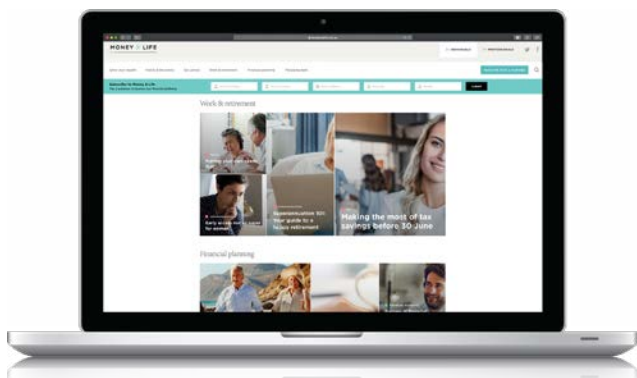
## MONEY & LIFE

Money & Life is the FPA's digital content platform designed to help Australians improve their financial capability and increase their awareness of financial planning. It also seeks to grow the marketplace for financial advice.

Readers subscribe to the free newsletter to receive the tips, information and case studies to help improve their financial knowledge and learn about the benefits of financial advice. Much of the content is contributed by FPA members and showcases their expertise.

The site also caters for financial planning professionals and offers a digital newsletter which has over 15,200 subscribers. Money & Life Professionals publishes industry news, insights and analysis, and provides access to CPD articles and quizzes.

The FPA also runs a year round program of advertising across social media and digital search to promote the benefits of seeking financial planning advice from FPA members. Specific advertising and sponsored content also focuses on raising consumer awareness and understanding of CFP® professionals and this work is funded by an annual marketing levy contributed directly by CFP® professionals.



**292k**

**website  
visits**



**10.37  
mins**

**average time  
on site**



**17,612**

**Consumer  
subscribers**



**Most  
viewed  
article**

**A guide to  
retirement in  
Australia**

# Connecting consumers with FPA members

The FPA plays an important role to help connect consumers looking for a financial planner with FPA members. Research shows that visiting an association's website to search for a planner is most preferred, behind only word of mouth/recommendation and general online search.

We run two services to facilitate this connection.

## FPA FIND A PLANNER

Find a Planner is FPA's online search directory which lists CFP® professionals, Financial Planner AFP members and FPA Professional Practices. The search tool allows a consumer to verify if a financial planner is an FPA member, or to search for an FPA member in their location. It provides a list of planners and their profiles. The Send a Message feature allows a consumer to make email contact with the FPA member.

The online directory is accessible at [fpa.com.au/find-a-planner](https://fpa.com.au/find-a-planner).

## FPA MATCH MY PLANNER

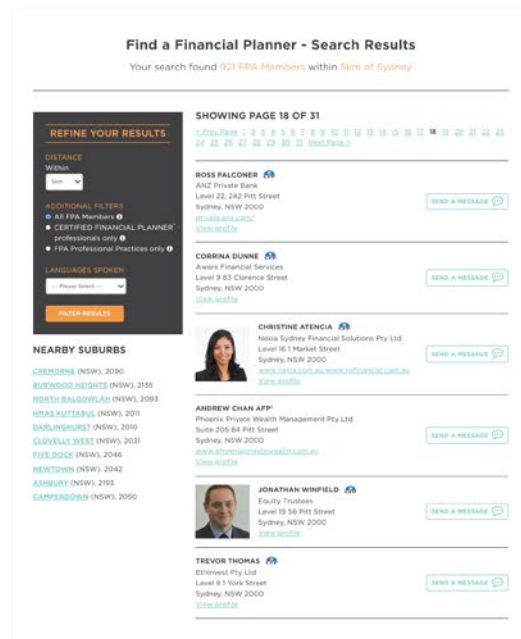
Match My Planner is an online service that provides a no-obligation, safe environment to help consumers find the right CFP® professional for their unique needs and circumstances.

Consumers complete a short online form with their financial goals, location and demographics. CFP® professionals then reach out via email if they match what the consumer is looking for.

Consumers can ask questions and interact with multiple financial planners who have been matched to them based on their needs and wants. When they are ready, they can book an appointment with the financial planner of their choice.

CFP professionals connect via the Match My Planner app, which sends notifications when an interested consumer creates an online profile.

The service is available at [matchmyplanner.com.au](https://matchmyplanner.com.au).

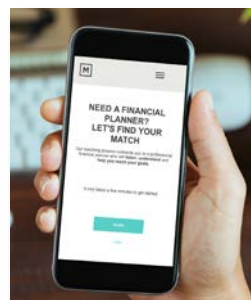


**51,000+**

FINANCIAL PLANNER  
SEARCHES ON  
FIND A PLANNER

**1,974**

CLIENT MESSAGES  
SENT VIA FIND A PLANNER



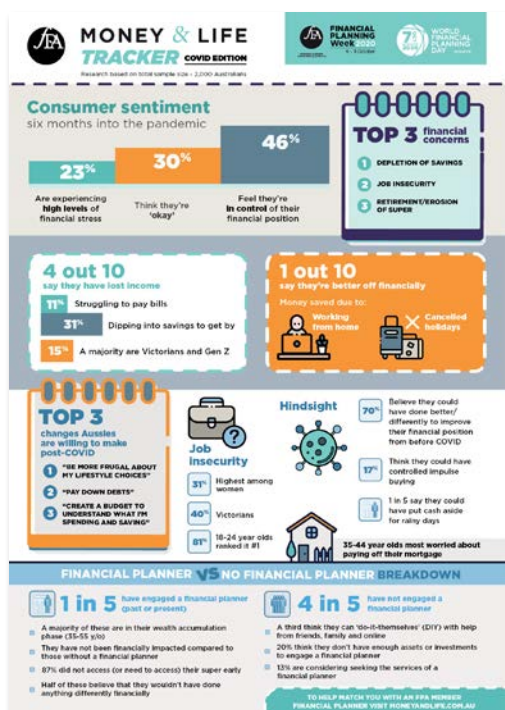
**1,826**

CLIENT LEADS VIA  
MATCH MY PLANNER



# Financial Planning Week

During 5-11 October 2020, the FPA celebrated its 20th consecutive Financial Planning Week. We joined forces with our counterparts from around the world to celebrate and raise awareness of financial planning, coordinated by the Financial Planning Standards Board (FPSB). Financial Planning Week in Australia was aligned with World Financial Planning Day on 7 October 2020 and IOSCO's World Investor Week from 5-11 October.



The campaign included PR and media outreach, social media content and news articles on the FPA's Money & Life website. The FPA also supported the global video competition run by the FPSB that asked consumers to share how working with a CFP® professional could help them plan their tomorrow. Five winners were awarded US\$1,000 each towards the cost of a financial plan.

In line with the global theme, Live your today, Plan your tomorrow, Financial Planning Week 2020 focused on raising awareness of the value of financial advice through new national research, the *FPA Money & Life Tracker: COVID Edition* examining money and life issues for Australians amid the pandemic. The research demonstrated that those who had a financial planner were able to cope more confidently than those who didn't.

# Future2 Foundation

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

Through its annual Future2 Make the Difference! Grants program, Future2 supports young Australians aged 12 to 25 years experiencing social, financial or physical hardship.

Since 2007, Future2 has committed \$1,394,981 in grants to grassroots programs. Future2 funds projects that contribute to skills training, financial literacy, work experience, community service, mentoring and much more.

Financial planners from across Australia contribute to Future2 through donations, getting involved in fundraising activities and by nominating organisations for the annual grant program.

Every contribution makes the difference to ensure young people around Australia, who deserve a future too, lead productive, secure and happy lives.

We particularly acknowledge and thank the FPA Chapters for their strong commitment and financial support towards Future2.

## GRANT MAKING

Future2 awarded over \$199,769 in grants in 2020 to 20 not-for-profit organisations, an increase of nearly 5 per cent compared to last year.

Grant recipients were selected from charity organisations who completed an online application for the program, including an endorsement from an FPA member.



**\$199k**  
IN GRANTS TO HELP  
YOUNG AUSTRALIANS  
IN NEED IN 2019



**\$1.3m+**  
IN GRANTS HAS BEEN  
PROVIDED TO DATE

## FUTURE2 HIGHLIGHTS FOR 2020/21

In October 2020, Future2 Chair Petra Churcher stepped down following many years' service and leadership in the role. Petra was previously a Future2 Ambassador and was appointed to the Future2 Board in 2016 and served as Chair since 2018.

Future2 welcomed Julie Berry CFP® as the incoming Chair and Olivia Maragna CFP® as Deputy Chair to lead the foundation into the next chapter of its work helping disadvantaged young Australians.

Overall fundraising received was \$217,473 in 2020/21.

To accommodate the need to hold virtual fundraising activities in the wake of the COVID-19 pandemic, the 11th annual Future2 Wheel Classic ran as a virtual cycling challenge in November 2020. A big thank you to the support of the 20 riders who participated and rode over 1,000kms and raised \$20,609 for Future2.

The 2020 Future2 Community Cycling and Walking Challenge were also virtual events that took place in November 2020 and the generous participants were successful in raising \$17,132 in the Walking Challenge and \$4,724 in the Cycling Challenge.

A big thank you to the sponsors of the 2020 Future2 Wheel Classic and Community Challenges who contributed \$95,000. Future2 gratefully acknowledges its Gold Partner MLC Wealth, Silver Partners Iress and FPA, Premium Partner Key Invest and Supporters Magellan, Colonial First State and Belalberi Foundation.

In May-June 2021, 25 participants took part in the Future2 Hiking and Walking Challenge and fundraising of \$3,220 was achieved.

Donations from FPA members during membership renewals were \$20,398.

Our valued Future2 Foundation Silver Partners TAL and Praemium contributed \$10,000 in 2021 financial year; and Tangelo Strategy and Advice Consulting, Hannemann & Brown contributed \$13,000 for 2021-2023 calendar year.

Other generous donations to Future2 included \$15,285 from MLC Life Insurance.



**\$217,473**

**OVERALL  
FUNDRAISING  
2020-21**



**\$20,398**

**FPA MEMBER  
DONATIONS DURING  
RENEWALS**



**\$20,609**

**FUTURE2  
WHEEL CLASSIC  
FUNDRAISING**



**\$25,076**

**FUTURE2  
CHALLENGE  
FUNDRAISING**

**Despite the challenges of COVID-19 throughout the year, the FPA delivered a number of Future2 State and Chapter events with FPA members:**

- South Australia Golf Day raised \$17,190 and the FPA SA Chapter donated a further \$2,810 to make it \$20k
- Western Australia Golf Day raised \$1,600
- Brisbane FPA Roadshow raised \$990
- Melbourne and South East Melbourne Golf Day raised \$545
- Ballarat Golf Day raised \$149





# Financial Statements



FINANCIAL PLANNING ASSOCIATION  
OF AUSTRALIA LIMITED  
(Limited by guarantee)  
**ABN 62 054 174 453**

# FINANCIAL STATEMENTS

for the year ended 30 June 2021



## FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA LIMITED

**ABN 62 054 174 453**

### DIRECTORS

**M. Broome** *Chair*

**J. Bowd**

**D. D'Ambra** (appointed 1 December 2020)

**A. Henderson**

**K. James** (appointed 25 November 2020)

**W. Johns**

**J. Matheson** (appointed 25 November 2020)

**D. Newton** (resigned 25 November 2020)

**J. Place** (appointed 25 November 2020)

**M. Tate-Loverly** (resigned 25 November 2020)

**P. Ruiz** (resigned 2 November 2020)

**D. Sharpe**

### CHIEF EXECUTIVE OFFICER

**D. De Gori** (resigned 22 July 2021)

### COMPANY SECRETARY

**W. Smith**

### Registered Office

Suite 603 Level 6  
55 Clarence Street  
Sydney NSW 2000  
Telephone: 02 9220 4500  
Facsimile: 02 9220 4580

### Solicitors

Henry William  
Suite 2, Level 10  
64 Castlereagh Street  
Sydney NSW 2000

### Bankers

National Australia Bank  
330 Collins Street  
Melbourne VIC 3000

### Auditors

LNP Audit and Assurance Pty Limited  
Level 14, 309 Kent Street  
Sydney NSW 2000

### DIRECTORS

The names and short biographies of the Financial Planning Association of Australia Limited's ("FPA" or the "Association") directors during the financial year are as follows. Directors were in office for the entire financial year and to the date of this report unless otherwise stated.



#### **Marisa Broome**

CFP®

*Appointed 19 November 2014*

Marisa chairs the FPA's board and is the Managing Director of Wealthadvice, an FPA Professional Practice operating in Sydney. Marisa has over 30 years' experience in financial services – and for the last 24 years has been running her own firm and practising as a financial planner.

Marisa is currently the Chair of the Governance and Remuneration Committee of the Board. Marisa has been an active member of the FPA since its inception, being involved on national committees on Professional Designations, Code Monitoring Australia, Policy and Regulation, Professional Standards, Audit, Education, Annual Conferences and the Sydney Chapter.



#### **Jane Bowd**

Associate GIA, ICSA, AGIA, ACIS, GradDip, LLM, LLB, BA

Additional Director

*Appointed 1 March 2018*

Jane Bowd is the Executive General Manager for Board Services and Governance, Insurance Australia Group.

Jane holds a Graduate Diploma of Applied Corporate Governance, Master of Laws, Graduate Diploma of Legal Practice, Bachelor of Laws, Bachelor of Arts, and is a graduate of the Royal Military College Duntroon.

Jane brings deep knowledge and expertise in legal and governance matters from her prior financial services roles and private practice, and membership of the Governance Institute Australia's Legislative Review Committee.

Jane is currently a member of the Audit and Risk Management Committee, and of the Governance and Remuneration Committee, of the Board.



### **Diana D'Ambra**

B.Com, M.Com, FCA, GAICD, FGIA

*Appointed 1 December 2020*

Diana is an experienced non-executive director and independent adviser.

Diana's executive career includes more than 30 years as lead executive director in a "Big 4" global accounting firm delivering corporate finance, business valuation, and investment (merger & acquisition) advice across a number of industry sectors.

Diana currently is a board member on six boards, four of which she chairs. Diana is also an independent member of the audit, governance, and risk committee of the NSW Independent Commission Against Corruption (ICAC). Diana is the Chair of the Audit and Risk Management Committee of the FPA.



### **Alison Henderson**

CFP®, B.Com, M.Com, Dip FMB, MAICD

*Appointed 19 November 2014*

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

Alison has been an active FPA member for over 20 years, during which she has spent time on the Legislation and Regulation Committee and chaired the FPA Professional Designations Committee. Alison is the current Chair of the Policy and Regulations Committee, a member of the Audit and Risk Management Committee and Governance and Remuneration Committee, and a Director of the Future2 Foundation.



### **Kearsten James**

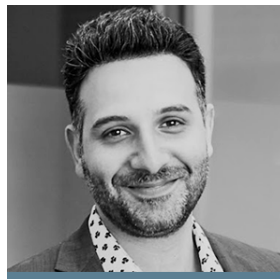
CFP®, LRS®

*Appointed 25 November 2020*

Kearsten James joined the financial planning profession in 2004 and has been a CERTIFIED FINANCIAL PLANNER® professional since 2009. In addition to completing the CFP® certification program, she holds a Bachelor of Commerce (Financial Planning & Investments) and is also a Life Risk Specialist®. Kearsten runs her own self-licensed financial planning firm, Addi House, based on the Gold Coast.

Kearsten won the FPA Paraplanner of The Year Award in 2018 and was a finalist in the FPA Certified Financial Planner Professional of The Year Award in 2019.

Prior to joining the board in November 2020, Kearsten was the Gold Coast FPA Chapter Chair. Since joining the board, Kearsten has been involved in the development of the FPA Masterclass Series and the FPA Professionals Congress.



### **William Johns**

CFP®, BBus, MDisSt

*Appointed 27 November 2019*

William is a practitioner member of the Board with a special interest in human rights, government policy relating to vulnerable Australians and disability policy. William has been a member of the FPA since 2008 and became a CERTIFIED FINANCIAL PLANNER® professional in 2010. In addition he holds a Bachelor of Business (Applied Finance, Financial Planning) and a Master of Disability Studies.

He was a member of the FPA Board Policy and Regulations Committee from 2011 to 2016, as well as the NSW State Winner in the CFP® Professional Best Practice Award in 2012, the NSW State Winner for the Future2 Community Service Award in 2014 and in 2016 a finalist in the CFP® Professional of the Year Award. Notably, he has been acknowledged by State and Federal Governments for his work with people with disabilities and their families and was chosen as a finalist in the National Disability Awards (UN, Commonwealth) in the Emerging Leader category. William is currently the Chair of the Professional Designations Committee.



### **Julie Matheson**

CFP®

*Appointed 25 November 2020*

Julie Matheson CFP® is a long standing member of the FPA, an FPA Distinguished Service Award recipient and has previously served on the FPA Board and many FPA committees. Julie is passionate about the profession of financial planning and ensuring advice is accessible and cost effective through a balanced approach to the regulatory burden.



### **Delma Newton**

CFP®, BEc, BBus, Dip FP, GAICD

*Appointed 19 November 2014*

*Resigned 25 November 2020*

Delma has been a financial planner for over 20 years and has been a member of the FPA since 1995. She is a CERTIFIED FINANCIAL PLANNER® professional and holds degrees in Economics and Accounting. Delma is employed as a financial planner with Tupicoffs Pty Ltd.

Prior to being elected to the FPA board in 2014, Delma had served on the Brisbane Chapter Committee for over 10 years, five of these as Chapter Chair. Delma also served on the FPA Membership Committee. She was the Chair of the FPA Professionals Congress from 2015 until 2017. Delma is now the Chair of the Regional Chapter Committee and also sits on the Audit and Risk Management Committee.





### **Julian Place**

CFP®

*Appointed 25 November 2020*

Appointed to the FPA Board in 2020, Julian Place CFP® has been an active member of the FPA Melbourne Chapter for over 20 years including the past 12 as Chapter Chair. He is a member of the Financial Planning Education Council (FPEC), and a current member of the RMIT Industry Advisory Committee. A past recipient of the FPA Distinguished Service Award, Julian has lectured in financial advice at several universities and is heavily involved with the Future2 Foundation.

A past director of not for profit organisations, and a CERTIFIED FINANCIAL PLANNER® professional since 2005, Julian is passionate about the value of financial advice, the significant difference advisers make in the lives of their clients, and advocating for sensible regulation that makes financial advice accessible for consumers and an attractive and sustainable profession.



### **Paul Ruiz**

Additional Director

*Appointed 1 January 2019*

*Resigned 2 November 2020*

Paul is a Fellow of the Institute of Chartered Accountants in England and Wales, a graduate of the Australian Institute of Company Directors as well as the University of Wales and was a partner with a 'Big 4' accounting firm until 2016. He practised in a range of fields during his 30-year professional career with a focus on the audit of regulated financial services entities. Originally from the UK, he has lived and worked in North Asia and moved to Australia in 1995.

Paul currently acts as an independent director and member of audit and risk committees for a number of organisations. He is the Chair of the Audit and Risk Management Committee, and a member of the Governance and Remuneration Committee, of the Board.



### **David Sharpe**

CFP®, B.Com, Dip FP, MAICD

*Appointed 22 November 2016*

David is Deputy Chair of the FPA Board and has been a financial planner and FPA member since 2003. He is a CERTIFIED FINANCIAL PLANNER® professional, has completed a Diploma in Financial Planning and holds a Bachelor of Commerce (Distinction) from Curtin University. David runs his own self-licensed financial planning firm, Globe Financial Planning, based in West Perth. In 2016 he was shortlisted for the FPA CFP® Professional of the Year Award.

Prior to being elected onto the board David spent four years on the WA FPA Chapter, including two years as Chair. David can often be found in various media roles (TV, radio and print) advocating strongly for the value of advice.

David chairs the Professional Standards and Conduct Committee, the Regional Chapter Committee and is also a member of both the Governance and Remuneration Committee, and the Board Audit and Risk Management Committee.



### **Michelle Tate-Loverly**

CFP®, BA (Hons), Dip FP, MAICD

*Appointed 22 November 2017*

*Resigned 25 November 2020*

Michelle Tate-Loverly is the Managing Director and Principal Adviser of Unified Financial Services (Carlton, Victoria) and has been self-licensed since 1994. Michelle has been a CERTIFIED FINANCIAL PLANNER® professional since 1995 and has 31 years as a financial planner. She has been nationally recognised in 2012 as the FPA winner of the CFP® Professional Award and Money Management Financial Planner of the Year and 2013 Mentor of the Year.

Michelle has been a finalist for Woman of the Year – Money Management and Super Review 2014 and 2013 and was awarded Goals Based Adviser of the Year through IFA Excellence Awards, 2017. Michelle was voted by her peers and recognised in Financial Standard Top 50 Influential Advisers in Australia 2017 - 2019. She has been part of the FPA Transition to Fee for Service Taskforce and on the CFP® Curriculum Taskforce for Ethics, Professionalism and Compliance and has judged the FPA Awards 2012 – 2019. Michelle was the Chair of the FPA Professionals Congress.

### Company Secretary

Wendy Smith

(Appointed from 31 March 2020)

### Corporate structure

The FPA is a company limited by guarantee and does not have share capital. The amount required to be contributed by members in the event that the company is wound up is disclosed in Note 18. The FPA is incorporated and domiciled in Australia.

### Objectives, strategy, nature of operations and principal activities

The FPA is a not-for-profit membership entity. Its five key roles are:

1. Represent the interest of the public,
2. Represent the interest of members,
3. Foster high professional standards,
4. Facilitate world class education,
5. Provide professional development.

### FPA'S STRATEGIC OBJECTIVES ARE:



- Lead the profession on the financial planning/planner model of the future.
- Uphold the CFP® designation as the number one choice for the profession.
- Expand our education, CPD and specialisation offers for members.
- Lead the policy and reform debate for the financial planning profession.
- Implement a policy vision to ensure a growing and sustainable future for financial planning.
- Be the voice and professional body for the financial planning profession.
- Represent consumers in the development of public policy.
- Increase consumer awareness and use of financial planning.
- Elevate the financial planning profession's role and contribution to the community.

### Review of progress against objectives and results of operations

The FPA recorded a before-tax surplus of \$1,347,000 for the year ended 30 June 2021 (2020: surplus \$241,000) and an after-tax surplus of \$1,347,000 (2020: surplus \$241,000), increasing accumulated members' funds to \$12,827,000 at 30 June 2021 (2020: \$11,480,000).

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the financial year ended 30 June 2021.

### Subsequent events

The FPA is currently negotiating an upgrade to its IT infrastructure to be able to serve its members better. It is estimated that the upgrade could cost in the order of \$470,000 and will be implemented over the 2022 financial year.

Effective from 2 August 2021, the Association moved its office to 55 Clarence Street, Sydney NSW. A lease agreement was entered into on 27 July 2021 for a period of 3 years. The total value of the lease, amounting to \$1,126,000 has not been recognised in the statement of financial position as at 30 June 2021.

The Association's CEO resigned on 22 July 2021. The CEO and the FPA board have agreed that he will continue his role until 31 January 2022.

Restrictions relating to the COVID-19 pandemic continue to have a material impact in the operation of the Association including replacement of in person Congress with a virtual event and deferral and cancellation of in person events. As of the date of this report, the directors do not believe there are any impacts in the amounts recognised in the statement of financial position as at 30 June 2021.

There have been no other material impacts on the operations or financial performance of the Association from these restrictions as at the date of this report except as mentioned above.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

### Likely developments and expected results

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

### Directors' and senior executives' emoluments

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

## Directors' Meetings

The number of Board and Board Committee meetings held during the year and each director's attendance at those meetings was as follows:

	Board Meetings		Board Committees <sup>3</sup>											
			Audit & Risk Management		Governance & Remuneration		Policy & Regulations		Professional Designations		Professional Standards & Conduct		Regional Chapter	
	A <sup>1</sup>	B <sup>2</sup>	A	B	A	B	A	B	A	B	A	B	A	B
Marisa Broome <sup>4</sup>	10	10			5	5								
Jane Bowd	10	7	6	4	5	3								
Diana D'Ambra <sup>5</sup>	4	3	3	3										
Alison Henderson <sup>6</sup>	10	8	6	6	3	3	5	5						
Kearsten James	4	4												
William Johns <sup>4</sup>	10	10							5	5				
Julie Matheson	4	3												
Delma Newton <sup>7</sup>	5	5	3	3									2	2
Julian Place	4	4												
Paul Ruiz <sup>8</sup>	4	3	2	2	2	2								
David Sharpe <sup>7,9</sup>	10	10	3	3	5	5					4	4	1	1
Michelle Tate-Loverly	5	4												



## Notes to table of meeting attendance

<sup>1</sup> Columns headed 'A' indicates the number of meetings the director was entitled to attend.

<sup>2</sup> Columns headed 'B' indicates the number of meetings attended by the director.

<sup>3</sup> With respect to Committee meetings, the table above records attendance of committee members. Any director is entitled to attend these meetings and from time to time, directors attend meetings of committees of which they are not a member.

<sup>4</sup> Marisa Broome chairs the Governance & Remuneration Committee.

<sup>5</sup> Diana D'Ambra chairs the Board Audit & Risk Management Committee.

<sup>6</sup> Alison Henderson chaired the Policy & Regulations Committee prior to December 2020 when David Sharpe assumed this role. This committee has a number of non-director members as detailed below.

<sup>7</sup> Delma Newton chaired this committee prior to December 2020 when David Sharpe assumed the role. This committee has a number of non-director members as detailed below.

<sup>8</sup> Paul Ruiz chaired the Board Audit & Risk Management Committee prior to December 2020 when Diana D'Ambra assumed this role.

<sup>9</sup> David Sharpe chairs the Professional Standards & Conduct Committee and Regional Chapter Committee. This committee has a number of non-director members as detailed below.

The Board gratefully receives assistance from non-director members on a number of committees as follows:

### Policy & Regulations Committee

Leanne Bull CFP®, Graham Cotter CFP®, Assyat David, Paul Garner CFP®, Jonathan Grigg CFP®, Adrian Hanrahan CFP®, Tim Mackay CFP®, John McCormack CFP®, Shane Nicholas CFP®, Mark O'Flynn AFP®, Thabojan Rasiah CFP®, Peter Richards CFP®, Joanna Ryan CFP®

### Professional Designations Committee

Neville Chiavaroli, John Green, Paul Moran CFP®, Cris Parker, Michael Perkins

### Professional Standards & Conduct Committee

Peter Bryant, James Cotis CFP®, Claire Mackay CFP®, Mark Malone AFP®, Michael Miller CFP®, Dacian Moses CFP®, Dean Pinto, Lisa Papachristoforos AFP®, Evan Poole CFP®, Stephanie Shrinet, Cheyenne Walker

### Regional Chapter Committee

Mark Alexander CFP®, Naomi Alletson AFP®, Susie Erratt CFP®, Andrew Harris CFP®, Fran Hughes CFP®, Gary Jones AFP® FFPA, Todd Kennedy CFP®, Naomi Mee-Martino CFP®, Michael Smith AFP®

### Insurance of officers and indemnification of auditors

The Association has insured the directors and officers against liabilities incurred in their role as directors and officers of the Association. The terms of the insurance policy, including the premium, are subject to confidentiality clauses and therefore, the Association is prohibited from disclosing the nature of the liabilities covered and the premium paid.

The Association does not maintain insurances for the indemnification of the auditor of the Association. No indemnities have been given during or since the end of the financial year, for any person who is or has been an auditor of Financial Planning Association of Australia Limited.

### Auditor independence

The directors have received the independence declaration from the auditors set out on page 8 of the financial statements.

### 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 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. Further information is presented at the FPA's internet site: <https://fpa.com.au/about/governance/>.


### Rounding

The Association is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off to the nearest \$1,000 (where rounding is applicable) where noted (\$000) in accordance with the instrument.

Signed in accordance with a resolution of the directors.



**Marisa Broome**  
Director



**Diana D'Ambra**  
Director

Sydney  
12 October 2021

### LNP Audit + Assurance

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+61 2 9290 8515

L24 570 Bourke Street Melbourne VIC 3000  
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AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA LIMITED

As lead auditor of Financial Planning Association of Australia Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd



Chin Ding Khoo  
Director

Sydney 12 October 2021

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Revenue</b>	2	10,247	12,432
Employee benefits expenses	3(c)	(4,503)	(5,832)
Depreciation and amortisation expenses	3(a)	(389)	(404)
Conference, event, program and education expenses		(943)	(2,766)
Property occupancy expenses	3(b)	(404)	(435)
Advertising and marketing expenses		(656)	(695)
Administration expenses		(1,275)	(1,280)
Other expenses		(730)	(779)
<b>Total expenses from operations</b>		(8,900)	(12,191)
<b>SURPLUS FROM OPERATIONS</b>			241
<b>OPERATING PROFIT BEFORE INCOME TAX</b>		1,347	241
Income tax benefit/(expense)	5	-	-
<b>OPERATING PROFIT AFTER TAX YEAR</b>		1,347	241
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,347</b>	<b>241</b>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	15(a)	7,019	5,867
Trade and other receivables	6	1,534	1,734
Investments in financial assets	7	13,999	11,786
Other assets	8	559	416
<b>TOTAL CURRENT ASSETS</b>		<b>23,111</b>	<b>19,803</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		7	145
Intangible assets	10	330	601
Right-of-use assets	9	95	498
<b>TOTAL NON-CURRENT ASSETS</b>		<b>432</b>	<b>1,244</b>
<b>TOTAL ASSETS</b>		<b>23,543</b>	<b>21,047</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,881	2,124
Income tax payable		-	-
Provisions	12	658	410
Other liabilities	13	8,001	6,320
Lease liabilities	9	107	404
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,647</b>	<b>9,258</b>
<b>NON- CURRENT LIABILITIES</b>			
Provisions	12	69	202
Lease liabilities	9	-	107
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>69</b>	<b>309</b>
<b>TOTAL LIABILITIES</b>		<b>10,716</b>	<b>9,567</b>
<b>NET ASSETS</b>		<b>12,827</b>	<b>11,480</b>
<b>MEMBERS' FUNDS</b>			
Retained earnings		12,827	11,480
<b>TOTAL MEMBERS' FUNDS</b>		<b>12,827</b>	<b>11,480</b>

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



## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Note	Retained Earnings \$'000	Total Equity \$'000
<b>AT JULY 2019</b>		11,239	11,239
Total comprehensive income for the year		241	241
<b>AT 30 JUNE 2020</b>		<b>11,480</b>	<b>11,480</b>
Total comprehensive income for the year		1,347	1,347
<b>AT 30 JUNE 2021</b>		<b>12,827</b>	<b>12,827</b>

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 2021

	Note	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and non-members		10,453	11,893
Payments to suppliers and employees		(8,011)	(12,918)
Interest and distributions received		696	384
Interest on lease payments		(15)	(32)
COVID-19 government stimulus received		896	306
Income tax refunded		3	17
<b>Net cash flows from / (used in) operating activities</b>	15(b)	4,022	(350)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment (purchases)/sales - net		(2,446)	1,159
Purchase of plant and equipment		-	(6)
Purchase of intangible assets		(20)	(191)
<b>Net cash flows from / (used in) investing activities</b>		(2,466)	962
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease payments		(404)	(390)
<b>Net cash flows used in financing activities</b>		(404)	(390)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		1,152	222
Cash and cash equivalents at beginning of period		5,867	5,645
<b>Cash and cash equivalents at the end of the period</b>	15(a)	<b>7,019</b>	<b>5,867</b>

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

**For the year ended 30 June 2021**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Financial Planning Association of Australia Limited (the “Association”) is a non-profit organisation limited by guarantee. The financial report of the Association for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 23 September 2021. Comparatives are consistent with prior years, unless otherwise stated.

#### **(a) Basis of preparation**

This general purpose financial report is prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

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 which is the Association’s functional currency. The Association is of a kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with the instrument, amounts in the financial statements and directors’ report have been rounded off to the nearest thousand dollars unless otherwise stated.

#### **(b) New and revised Accounting Standards and Interpretations**

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

The Association applied all new and revised Accounting Standards and Interpretations that became effective for the financial year commencing 1 July 2020. The nature and effect of the changes as a result of adoption of new accounting standards has not caused any material adjustments to the reported financial position, performance or cash flows of the Associations.

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

The Association has not early adopted any new standards, amendments to standards and interpretations that are not yet effective. None of these are expected to have a significant effect on the Association in the current and future reporting periods and on foreseeable transactions.

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

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

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

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

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

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

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

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

### **(d) Revenue recognition**

#### ***Revenue from sale of services***

Revenue from services is recognised at the point the services are provided. Revenue from the sale of services are 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.

#### ***Revenue from Contracts***

Revenue is recognised on a basis that reflects the transfer of promised goods or services to “customers” at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows: (i) Identify the contract with the customer; (ii) identify the performance obligations; (iii) Determine the transaction price; (iv) Allocate the transaction price to the performance obligations; (iv) Recognise revenue as and when control of the performance obligations is transferred.

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

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

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

Revenue is recognised when the events take place.

#### ***CFP® program revenue***

Education fees are payable each semester in advance. Only those fees that are attributable to the current financial year are recognised as revenue. Fee payments that relate to future periods are shown in the Statement of Financial Position as deferred income under Other Liabilities.

#### ***Continuing education***

Revenue is recognised when the events take place.

#### ***Marketing levies***

The marketing levies year runs from 1 July to 30 June. Levies are payable annually in advance. Only those fees that are attributable to the current financial year are recognised as revenue. Fee payments that relate to future periods are shown in the Statement of Financial Position as deferred income under Other Liabilities.

#### ***Interest***

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

#### ***Fair value changes***

Changes in the fair value of financial assets are included in revenue.

### **(e) Financial instruments**

#### **Recognition**

##### **Financial Assets**

The Association determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each financial year-end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### ***Financial assets measured at fair value through profit or loss.***

Financial assets measured at fair value through profit and loss are financial assets that are not classified and measured at amortised cost or as fair value through other comprehensive income. Financial instruments at fair value through profit or loss are carried in Statement of Financial Position at fair value with gains or losses recognised in profit and loss and other comprehensive income. They include the Association's investments in securities. Refer to Note 7.

##### ***Financial assets measured at amortised cost.***

Financial assets measured at amortised cost are non-derivative financial assets which are held to collect the contractual cash flows. The contractual terms of the financial assets give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets. The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Trade receivables, which generally have 30-day terms, are recognised initially at the transaction amount with represents fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Association applies the simplified approach and records lifetime expected losses on all eligible financial assets at each reporting date.

##### **Financial liabilities**

The Association's financial liabilities include trade and other payables. They represent liabilities for 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.

These are measured subsequently at amortised cost using the effective interest method. The interest expense is calculated each reporting period by applying the effective interest rate, and the resulting charge is reflected in finance costs on the statement of profit and loss and other comprehensive income.

Financial guarantees which are pledged as security and included as part of the balance of long-term deposits have not been recognised as financial liabilities. Refer to Note 7.



### **Impairment of financial assets**

Expected credit losses or lifetime losses are recognised if required for trade receivables, cash and cash equivalents and other receivables. Expected credit losses are calculated as the difference between the contractual cash flows that are due to the Association and the cash flows that the Association expects to receive given the probability of default and loss given default, discounted at the original effective interest rate. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Recoveries of amounts previously written off are credited against other income in profit or loss in the event the amounts are subsequently collected.

### **(f) 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. Term deposits with original maturity of more than three months are classified as long-term deposits under investments. Refer to Note 7.

### **(g) Provisions**

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

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

### **(h) Employee leave benefits**

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

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

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

### **(i) Leases**

- **Right of use assets**

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the relevant commencement date less any lease incentives received. Unless the Association is reasonably certain to obtain ownership of the leased asset at the end of the relevant lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the relevant lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**

At the commencement date of the relevant lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the relevant commencement date), and amounts expected to be paid under residual value guarantees. The Association applies the practical expedient to not separate non-lease components from lease components, and instead accounts for each lease component and any associated lease components as a single lease component.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Association uses the incremental borrowing rate at the relevant lease commencement date if the interest rate implicit in the lease is not readily determinable. After the relevant commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### **(j) Plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

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

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

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

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

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

### ***Disposal***

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

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

### **(k) Intangible Assets**

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

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

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

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

Website development costs	4 years
Computer software	4 years

#### ***Website development costs***

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

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

#### ***Computer software***

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

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

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

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

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

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

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

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

#### ***Tax***

Income tax obligations reflect management's judgement as to the expenses that relate to member and non-member activities, the former not being subject to income tax. The income tax expense is disclosed in Note 5.

#### ***Leases***

The Association has made the following significant judgements in respect to its leases as a lessee:

Determining the incremental borrowing rate in lease the calculation.

The Association has applied judgement to determine the incremental borrowing rate, which affects the amount of lease liabilities or right-of-use assets recognised. The Association reassesses and applies the incremental borrowing rate on a lease-by-lease basis at the relevant lease commencement date based on the term of the lease (or the remaining term of the lease at the initial date of application).

## NOTES TO THE FINANCIAL STATEMENTS

### 2. REVENUE

		2021 \$'000	2020 \$'000
Revenue	(a)	8,475	11,930
Income from investments	(b)	876	50
Government stimulus		896	452
<b>Total revenue</b>		<b>10,247</b>	<b>12,432</b>

#### (a) Revenue

Membership subscriptions	6,599	7,213
Practice fees	189	218
Partner fees	395	513
Conferences and seminars	216	2,826
CFP® program	373	585
Continuing education	519	460
Other revenue	184	115
<b>Total revenue</b>	<b>8,475</b>	<b>11,930</b>

#### (b) Income from investments

Change in fair value of investments	297	(204)
Interest - non-related persons/corporations	80	186
Distribution income net of management fee	499	68
<b>Total income from investments</b>	<b>876</b>	<b>50</b>



### 3. EXPENSES

	2021 \$'000	2020 \$'000
<b>(a) Depreciation and amortisation expenses</b>		
Depreciation and amortisation of non-current assets		
Plant and equipment	98	110
Intangible assets	291	294
<b>Total depreciation and amortisation</b>	<b>389</b>	<b>404</b>

#### (b) Property occupancy expenses

Interest expense	15	32
Depreciation of right-of-use asset	389	403
<b>Total lease expenses</b>	<b>404</b>	<b>435</b>

#### (c) Employee benefits expenses

Wages and salaries including on-costs	4,000	5,373
Workers' compensation costs	25	21
Superannuation costs	316	388
Staff training and recruitment	162	50
	<b>4,503</b>	<b>5,832</b>

#### (d) Strategic advertising - costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.

Advertising levies received	459	1,001
Advertising expenditure	(459)	(1,001)
<b>Net strategic advertising</b>	<b>-</b>	<b>-</b>

## 4. AUDITOR'S REMUNERATION

Amount received, or due and receivable, by LNP Audit & Assurance for:	2021 \$'000	2020 \$'000
An audit of the financial report of the Association	34	34
Other services - taxation services	-	-
<b>Total auditor's remuneration</b>	<b>34</b>	<b>34</b>

## 5. INCOME TAX

	2021 \$'000	2020 \$'000
Income tax expenses consist of:		
Current income tax	-	-
Adjustment for current tax of prior year	-	-
	-	-

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:

<b>Accounting surplus before tax from ordinary activities</b>	<b>1,347</b>	<b>241</b>
At statutory income tax rate of 26% (2020: 27.5%)	350	67
Net income derived from members not assessable	(249)	(276)
Income not allowable for income tax purposes	(6)	(21)
Expenditure not allowable for income tax purposes	2	11
Increase in losses due to excess franking credit	(15)	-
Temporary differences not recognised	(100)	(180)
Taxable loss not recognised	18	399
<b>Income tax (benefit) / expense attributable to operating surplus</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

### *Unrecognised deferred tax balances*

At 30 June 2021, deferred tax assets have not been recognised on deductible timing differences and tax losses totalling \$114,000 (2020: \$104,000) as it has been assessed that it is not probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised, in accordance with the tax accounting policy set out in Note 1(c).

## 6. TRADE AND OTHER RECEIVABLES

	2021 \$'000	2020 \$'000
Trade debtors (i)	1,478	1,503
Allowance for expected credit loss	(8)	(7)
	1,470	1,496
Accrued interest income (ii)	39	92
Other receivables (iii)	25	146
<b>Total trade and other receivables</b>	<b>1,534</b>	<b>1,734</b>

- i. Trade debtors are non-interest bearing and generally are on 30-day terms.
- ii. Represents accrued interest on term deposits, which is payable on maturity. These do not contain impaired assets and are not past due.
- iii. These relate to Jobkeeper and Cashflow Boost grants receivable from the Government.

## 7. INVESTMENTS

	2021 \$'000	2020 \$'000
Term deposits held at amortised cost (i)	8,806	8,632
Financial assets at fair value through profit and loss (ii)	5,193	3,154
<b>Total investments</b>	<b>13,999</b>	<b>11,786</b>

- i. Relates to fixed rate term deposits with original maturity between 4-12 months that have been granted for security deposits of the Associations' leased premises for the amount of \$244,000 and the set-up of a corporate credit card facility with National Australia Bank for the amount of \$200,000.
- ii. Comprises investments in a portfolio of managed funds.

## 8. OTHER ASSETS

	2021 \$'000	2020 \$'000
<b>Current</b>		
Prepaid conference expenditure	90	51
Prepaid chapter expenditure	-	1
Prepaid capital expenditure	54	-
Other prepayments	415	361
Income tax refundable	-	3
<b>Total other assets</b>	<b>559</b>	<b>416</b>

## 9. LEASES

	2021 \$'000	2020 \$'000
<b>Right-of-use asset</b>		
Balance at start of year	498	901
Additions	-	-
Amortisation during the year	(403)	(403)
<b>Net carrying value at the end of the year</b>	<b>95</b>	<b>498</b>

**9. LEASES (CONTINUED)**

	2021 \$'000	2020 \$'000
<b>Lease liabilities</b>		
Lease liability recognised start of year	511	901
Payments made during the year	(404)	(390)
<b>Net carrying value at the end of the year</b>	107	511

**Commitments - AASB 16 lease liabilities (discounted)**

No later than one year (current)	107	404
Later than one year and not later than five years (non-current)	-	107
<b>Net carrying value at the end of the year</b>	107	511

The current lease of the Association's premise is due to end in September 2021 and management has decided not to renew the lease. A new lease which will commence 1 October 2021 for a period of 3 years has been entered into after the year ended (Note 20). As such, a lease liability and corresponding ROU of \$1,126,000 has not been recognised in the statement of financial position as at 30 June 2021.

## 10. INTANGIBLE ASSETS

<b>Cost</b>	<b>Website Development \$'000</b>	<b>Computer Software \$'000</b>	<b>Total \$'000</b>
Balance at July 2019	1,031	632	1,663
Additions	137	54	191
Disposals	-	-	-
<b>Balance at 30 June 2020</b>	<b>1,168</b>	<b>686</b>	<b>1,854</b>
Additions	20	-	20
Disposals	(13)	(30)	(43)
<b>Balance at 30 June 2021</b>	<b>1,175</b>	<b>656</b>	<b>1,831</b>

### Accumulated amortisation and impairment

Balance at 30 June 2019	(538)	(421)	(959)
Amortisation	(229)	(65)	(294)
Disposals	-	-	-
<b>Balance at 30 June 2020</b>	<b>(767)</b>	<b>(486)</b>	<b>(1,253)</b>
Amortisation	(222)	(69)	(291)
Disposals	13	30	43
<b>Balance at 30 June 2021</b>	<b>(976)</b>	<b>(525)</b>	<b>(1,501)</b>

### Net book value

As at 30 June 2020	401	200	601
<b>As at 30 June 2021</b>	<b>199</b>	<b>131</b>	<b>330</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 11. TRADE AND OTHER PAYABLES

	2021 \$'000	2020 \$'000
Trade creditors and accruals (i)	1,265	1,639
GST payable	616	485
	<b>1,881</b>	<b>2,124</b>

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

### 12. PROVISIONS

	Restoration of leased properties \$'000	Annual leave \$'000	Long service leave \$'000	Total \$'000
Balance at 1 July 2020	139	283	190	612
Arising during the year	55	306	40	401
Utilised	-	(286)	-	(286)
<b>Balance as at 30 June 2021</b>	<b>194</b>	<b>303</b>	<b>230</b>	<b>727</b>
Current 2021	194	303	161	658
Non-current 2021	-	-	69	69
	<b>194</b>	<b>303</b>	<b>230</b>	<b>727</b>
Current 2020	-	283	127	410
Non-current 2020	139	-	63	202
	<b>139</b>	<b>283</b>	<b>190</b>	<b>612</b>

**13. OTHER LIABILITIES**

	2021 \$'000	2020 \$'000
<b>Current</b>		
<i>Deferred income</i>		
Conference income	360	53
Education fees	89	122
Membership subscriptions	5,374	5,302
Marketing levies	1,262	574
Chapter income	-	39
Sponsorship	31	200
Continuing education	71	30
<b>Total deferred income</b>	<b>7,187</b>	<b>6,320</b>
Grants provided by the Commonwealth	814	-
	<b>8,001</b>	<b>6,320</b>

**14. 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 (2020: nil).

## 15. CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents comprise the following at 30 June:

	2021 \$'000	2020 \$'000
Cash at bank and on hand	6,976	5,853
Cash as part of investment portfolio	43	14
	<b>7,019</b>	<b>5,867</b>

### (b) Reconciliation of operating profit after income tax to net cash flows from operations

	2021 \$'000	2020 \$'000
Operating profit after income tax	1,347	241
<b>Non-cash items</b>		
Depreciation and amortisation	792	807
Allowance for expected credit losses	1	-
Change in fair value of financial assets	272	204
<b>Change in operating assets and liabilities</b>		
Increase in trade and other receivables	199	1,028
(Decrease) / Increase in other assets	(142)	534
Increase in trade and other payables	571	(1,007)
Increase in current provisions	87	10
Decrease in other current liabilities	867	(2,082)
(Increase) / Decrease in non-current provisions	28	(85)
<b>Net cash flows used in operating activities</b>	<b>4,022</b>	<b>(350)</b>

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

## 16. RELATED PARTY DISCLOSURES

Other than those disclosed in Note 17 below, there were no other transactions with any related parties, directors or director-related entities during the year with the exception of out of pocket expense reimbursements in the normal course of business.

## 17. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

	Directors		KMP*	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Total</b>	<b>327</b>	<b>333</b>	<b>1,677</b>	<b>1,722</b>

\*The KMP of the Association is made up of nine heads of departments within the Association. Total remuneration for the Chief Executive Officer of the Association (D. De Gori), who is part of KMP, is \$464,000 (2020: \$485,000).

## 18. 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. In the event of the Association being wound up, each member is liable to a maximum of \$100. As at 30 June 2021, the Association has 9644 voting members and therefore, the members will be liable to a maximum of \$964,400. This would apply to members who have ceased to be a member within one year.

## 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise cash at bank and on hand, short and long-term deposits, financial assets held at fair value through profit or loss, receivables and payables.

The Association manages its exposure to key financial risks in accordance with the Association's investment 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, price risk and credit risk.

Responsibility for the oversight 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 as relates to the cash and term deposit balances.

At the reporting date, the Association had the following financial assets exposed to interest rate risk:

	2021 \$'000	2020 \$'000
<b>Financial assets</b>		
Cash and cash equivalents (Note 15(a))	7,019	5,867
Term deposits (Note 7)	8,806	8,632
	<b>15,825</b>	<b>14,499</b>

## NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2021, 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:

	Post-tax Profit - Higher/(Lower)	
	2021 \$'000	2020 \$'000
<b>Judgements of reasonably possible movements:</b>		
+1% (100 basis points)	70	59
+0.5% (50 basis points)	35	29
-0.5% (50 basis points)	(35)	(29)
-1% (100 basis points)	(70)	(59)

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

### Price Risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from Interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Association's exposure to price risk is limited to its financial assets within investments which are carried at fair value through profit or loss amounting to \$5,193,000 (2020: \$3,154,000) per Note 7.

The analysis below demonstrates the impact of a 10% movement in the redemption unit price of the underlying managed funds.

	Post-tax Profit - Higher/(Lower)	
	2021 \$'000	2020 \$'000
<b>Judgements of reasonably possible movements:</b>		
+10% increase	519	315
-10% decrease	(519)	(315)



## NOTES TO THE FINANCIAL STATEMENTS

### ***Credit Risk***

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

It is the Association's policy to enter into money market deposits with reputable counterparties. Management closely monitors the creditworthiness of the counterparties.

### ***Liquidity Risk***

The Association manages the liquidity risk by maintaining adequate cash reserves and continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities.

	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	Total \$'000
<b>2021</b>				
Trade and other payables	-	1,881	-	1,881
<b>Total</b>	<b>-</b>	<b>1,881</b>	<b>-</b>	<b>1,881</b>
<b>2020</b>				
Trade and other payables	-	2,124	-	2,124
<b>Total</b>	<b>-</b>	<b>2,124</b>	<b>-</b>	<b>2,124</b>

Other liabilities are largely deferred revenue, which would not have an impact on liquidity risk.

Cash balance of \$7,019,000 (Note 15(a)) is available to pay the short-term financial liabilities in relation to trade and other payables due within 3 months.

## NOTES TO THE FINANCIAL STATEMENTS

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

In accordance with AASB 13 Fair Value Measurement, the Association's financial assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

- a. Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities;
- b. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- c. Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, other monetary financial assets and financial liabilities which are not carried at fair value in the statement of financial position approximate their carrying value due to the short-term maturities of these instruments.

The following tables present the Association's financial instruments measured and recognised at fair value as at the reporting date:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2021</b>				
<b>Financial assets</b> (note 7)				
Financial assets at fair value through profit and loss				
- Listed shares	1,916	-	-	1,916
- Unlisted registered managed funds	-	3,277	-	3,277
	<b>1,916</b>	<b>3,277</b>	<b>-</b>	<b>5,193</b>

### **As at 30 June 2020**

#### **Financial assets** (note 7)

Financial assets at fair value through profit and loss

- Unlisted registered managed funds	-	3,154	-	3,154
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The fair value of financial assets at fair value through profit and loss is based on the redemption unit price quoted by the underlying responsible entity at the close of trading on the reporting date.

There were no transfers between the levels during the reporting period.

## 20. EVENTS AFTER THE REPORTING DATE

The FPA is currently negotiating an upgrade to its IT infrastructure to be able to serve its members better. It is estimated that the upgrade could cost in the order of \$470,000 and will be implemented over the 2022 financial year.

Effective from 2 August 2021, the Association moved its office to 55 Clarence Street, Sydney NSW. A lease agreement was entered into on 27 July 2021 for a period of 3 years. The total value of the lease, amounting to \$1,126,000 has not been recognised in the statement of financial position as at 30 June 2021.

The Association's CEO resigned on 22 July 2021. The CEO and the FPA board have agreed that he will continue his role until a suitable replacement can be found and duties handed over.

Restrictions relating to the COVID-19 pandemic continue to have a material impact in the operation of the Association including replacement of in person Congress with a virtual event and deferral and cancellation of in person events. As of the date of this report, the directors do not believe there are any impacts in the amounts recognised in the statement of financial position as at 30 June 2021.

There have been no other material impacts on the operations or financial performance of the Association from these restrictions as at the date of this report except as mentioned above.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

### DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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



**Marisa Broome**  
Director



**Diana D'Ambra**  
Director

Sydney  
12 October 2021

## LNP Audit + Assurance

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

#### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

##### *Opinion*

We have audited the financial report of Financial Planning Association of Australia Limited (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 of the Association.

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

- a) Giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

##### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Other information*

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## LNP Audit + Assurance

*Directors' Responsibilities*

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may



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reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

LNP Audit and Assurance Pty Ltd



Chin Ding Khoo  
Director  
Sydney

12 October 2021



FINANCIAL PLANNING  
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