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FINANCIAL ADVICE
ASSOCIATION AUSTRALIA

ANNUAL REPORT 2023



FINANCIAL ADVICE
ASSOCIATION AUSTRALIA





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Foundations for growth established

A united voice to advance financial advice for all Australians.

After many months of work behind the scenes last year, 2023 saw the successful merger of the Financial Planning Association of Australia (FPA) and the Association of Financial Advisers (AFA) to create the Financial Advice Association Australia (FAAA).

Members of both the FPA and AFA voted in favour of the proposed merger at Extraordinary General Meetings (EGMs) in Sydney on 28 February. Across all resolutions, an average of 96.5 per cent of AFA votes and 96.7 per cent of FPA votes were in favour. Members from both the FPA and AFA emphatically told us that we are stronger together and that with one voice we are better able to represent them and the profession.

After the vote came the execution of the merger, resulting in the successful integration of heritage FPA and AFA staff, bringing with it the ability to share ideas and insights based on past experiences ensuring we keep the best of both heritage organisations. In addition to the integration of Team FAAA, we have also put a significant emphasis on bringing together the heritage grassroots communities, empowering them to drive engagement and awareness of the critically important work financial advisers do. There has been an increase in local events and the attendances speak for themselves – networking and growing together remains a focus for everyone.

An exciting future on the horizon with a unified identity

The future is exciting, as we continue to be positive and bold in both our engagement with decision makers and also the community we serve. With minimum standards across education, ethics, examination, and experience

now in place, we should start proudly calling ourselves a profession.

Over the past year, I've had the privilege of engaging with many members at events all over the country, often discussing what they want from the FAAA. The feedback is loud and clear – we must make it easier for advisers to do what they do best – provide quality financial advice to Australian consumers. Our mission and purpose is to harness the united voice of our members to drive positive outcomes because the work we do continues to make a difference, allowing consumers to enjoy a higher quality of life, more financial confidence and experience less financial stress, which in the current economic climate is vital.

Your Board is focused on renewing our Policy Platform, rolling out our strategic vision and continuing to implement our unified identity. We are unashamedly a member-based organisation and it is your voice we want to hear. In the coming year you can expect regular engagement and consultation – we want and need to understand what is important to you, our members.

Thank you!

On behalf of the Board, I would like to acknowledge Sarah Abood and her team for the continuing passion and dedication that enables the FAAA to deliver a wide array of member services such as Advocacy, Education and Events. This delivery continues to expand despite the additional workload of the merger and challenging times for the profession. Thank you.

To the FAAA Board, I am privileged to work with such driven and inspiring people. This Board was formed

as a collective of two heritage organisations and it has been united in its unwavering focus on creating positive outcomes for our members.

Finally, a thank you to our members. We are first and foremost a member association and as a proud and passionate CERTIFIED FINANCIAL PLANNER® practitioner member myself, I want to thank you for the work you do that changes lives for Australian consumers every day. The impact each of you have on your clients can be life-changing and should not be underestimated.

I am honoured to play a role in this unified professional association.



David Sharpe CFP®
FAAA Chair



Working and growing together

Strong advocacy driving improvements for advisers and clients.

Of course our merger was a key focus for the 2022/23 year, but it has also been a very busy year for the FAAA on the policy front. Our consistent approach has been to work together with other influential stakeholders in our sector where our interests align, because this approach increases our chances of success. When we speak with one voice to government, regulators and the broader sector – that voice is more likely to be heard.

Experienced Adviser Pathway

The Federal Government has legislated an “Experienced Adviser” pathway. This issue has been divisive for our members, but the positive is that advisers now have some much-needed clarity on what they need to do to remain a part of this vital profession.

Under the legislation, an adviser will have met the requirements to continue practising if they have 10 years of experience between 1 January 2007 and 31 December 2021 and a clean compliance record. They must also have passed the ASIC adviser exam.

New entrants will also now be able to have their studies reviewed by Treasury even if their units do not exactly match the determination. This means that many students will no longer need to repeat courses, at a great cost in terms of time and money, if they have effectively mastered the content already. This is a much-needed change and one we have lobbied hard for, for some time. We continue to advocate for further flexibility in the education standards for our profession, and this will be a key focus in the year to come.

ASIC industry levy

We had an unpleasant surprise late in June with the

ASIC levy for advisers almost tripling, to an estimated \$3,217 per adviser. This comes after being frozen at \$1,142 per adviser for 2 years, after strong lobbying from the AFA and FPA based on a number of flaws in the current model. It's a very surprising and disappointing result that comes despite the flaws in the current model having been acknowledged, the number of advisers reducing substantially over this time, and the government's focus on reducing the costs of advice to consumers. We are strongly making the case for the levy to be reviewed and the flaws in the Industry Funding Model to be fixed.

Quality of Advice Review

In December 2022, Michelle Levy handed down her final recommendations from the Quality of Advice Review, the most significant examination into the state of financial advice in Australia in recent years. We had the government's initial response in June 2023, and since then, the FAAA has been on the front foot involved in multiple rounds of consultation on the three Streams of reforms. We have also facilitated a number of events at which the Minister, Stephen Jones, has addressed and taken questions directly from advisers – 8 events around the country, at time of writing.

The most urgent reforms for our sector are contained in Stream 1, which is aimed at reducing unnecessary red tape, processes and reporting and which will be critical in helping advisers deliver more great advice for Australian consumers.

The Stream 2 reforms, focused on how the Government will allow superannuation funds to deliver a potentially broader advice offering to members via non-relevant providers, are also critical.

CEO'S REPORT

We are strongly representing the need for safeguards around the complexity of this advice, minimum qualifications for those delivering it that could lead over time to full qualification as an adviser, and limits on collective charging.

The Quality of Advice Review is a critical opportunity to reduce the cost of providing financial advice in Australia and improve the ability of consumers to access high quality professional advice.

Reviewing our policy platform

The FAAA has commenced the process to formally review our policy platform, now that the merger between the AFA and FPA is complete. We need to hear from our members on the critical priorities you want your association to focus on – taking a longer timeframe view, through to 2030. The decisions that we make now will help shape our profession for many years to come. I strongly urge all members to get involved in the review to ensure your voice is heard. There are many opportunities to do so, with more information included in your weekly wrap up email from the FAAA.

Celebrating great financial advice

As a united association we want to change the conversation about financial advice. Not only do we need many more great financial advisers, we also need the general public to understand how important great financial advice is. Our members transform lives in many ways – financially of course, but research proves we also improve our clients' family relationships, mental health, financial knowledge and confidence in the future. Results that the overwhelming majority of clients know are well and truly worth the cost. The simple message that you're better off with

financial advice is one we need to consistently elevate with consumers.

Thank you for the great work you do improving the lives of so many Australians, and supporting your colleagues and this profession. It hasn't been an easy road, but we are seeing dawning recognition of this profession and the important role we play in the community.



Sarah Abood
FAAA CEO





About the FAANA

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

A united association for a united profession

As Australia’s leading professional association for financial advice professionals, Financial Advice Association Australia (FAAA) advocates for the interests of financial advisers and their clients across the country.

The Financial Advice Association Australia (FAAA) was formed in April 2023 following the merger of the two leading financial planning bodies in Australia – the Financial Planning Association (FPA) and the Association of Financial Advisers (AFA).

With this merger, a new, united professional association that advocates for interests of financial advisers and their clients across the country was created. Today it is the largest association representing financial advisers in Australia.

OUR MISSION

To create a positive, professional, and collaborative home for our members that empowers them to build a better financial future for Australians.

FAAA’s MAC STRATEGY

Our MAC strategy stands for Members, Advocacy and Consumers. These pillars and the related strategic priorities currently guide our work from 2020 – 2025:

MEMBERS

FAAA to be the professional body of choice for the financial advice profession

Lead the profession on the financial advice/adviser 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.

ADVOCACY

FAAA to be the voice of the profession

Lead the policy and reform debate for the financial advice profession.

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

Be the voice and professional body for the financial advice profession.

CONSUMERS

FAAA to represent the public interest

Represent consumers in the development of public policy.

Increase consumer awareness of financial advice.

Elevate the financial advice profession’s role and contribution to the community.

ABOUT THE FAAA

An ongoing commitment to our members

The newly merged FAAA offers many benefits to members, including:



ADVOCACY

Leading advocacy efforts with government and regulators, speaking with one strong voice on behalf of members as the FAAA works toward ensuring better outcomes for members and their clients.



EDUCATION

Access to a wider range of resources, with ongoing support for the FAAA's designations and an ongoing investment in CPD.



COMMUNITY

Creating connections and deeper engagement within the financial advice community, with more ways for members to engage with each other and with their association at a grassroots level.



EVENTS

Increased opportunities for the profession to come together to learn and network through a range of events with greater scale, frequency and content. Examples include the re-imagined FAAA Roadshow and FAAA Congress, plus many more local Community events.



PROFESSIONAL STANDARDS

A deep commitment to professionalism and compliance with high standards of professional and ethical conduct to enhance the public awareness of, and confidence in, the financial advice profession.



MEMBER SUPPORT SERVICES

Providing access to a range of member benefits, including the exclusive CFP® Professional Connect program, and with greater scale and resources to deliver more services to members.

ABOUT THE FAAA

A new name and branding

To reflect the heritage of both historic associations, the FAAA undertook the significant project of developing and delivering a new name and branding in 2023. This included a re-brand of our website, Member Portal, Money & Life website and Find A Planner online directory.

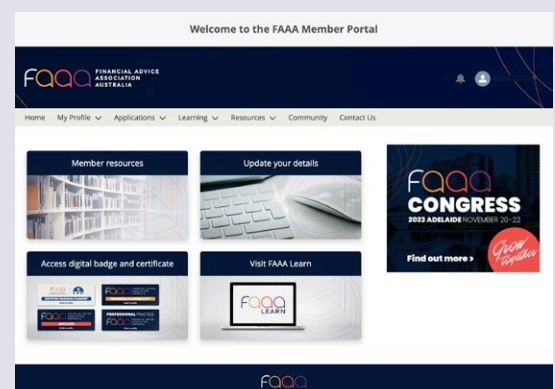
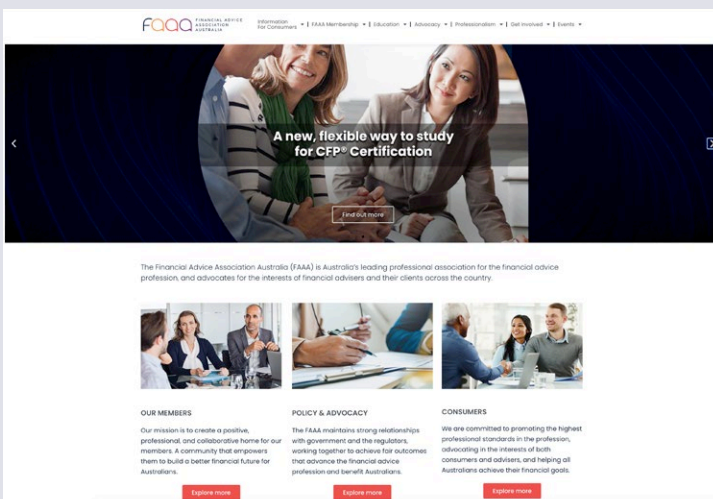
In addition, members now have access to a range of FAAA branded digital assets that reflect their FAAA membership categories and show their commitment to upholding the highest ethical and professional standards.



FAAA DIGITAL MEMBERSHIP BADGES



FAAA WEBSITE AND MEMBER PORTAL



ABOUT THE FAAA

Our members

Member numbers decreased by 12 per cent in 2023. (Members joining from 1 July including as a result of the merger, will be reflected in next year's Annual Report.) The membership categories most impacted were the Practitioner category, with members experiencing the impacts of factors such as changes to education standards, plus changes to business models and the ongoing impact of onerous regulation. These factors have resulted in a number of financial planners continuing to leave the profession.

FAAA membership composition 2022/23

CATEGORY	2023	2022
CFP® Professional	4,615	4,966
Practitioner Member	3,140	3,107
Associate	n/a	1,050
FAAA Affiliate	589	n/a
Allied Professional Affiliate	n/a	436
Leave of Absence Affiliate	125	171
Retired Affiliate	192	229
Retired CFP® Professional	20	n/a
Student Affiliate	989	995
Total individual Members and Affiliates	9,670	10,954
FAAA Professional Practice	164	174

Updates to the membership structure

FY23 saw the continued rollout of the new membership structure announced last year following a comprehensive review in 2022. The simplified membership pathway now provides a home for all professionals who work in financial planning and took effect for FY23 membership renewals.

Membership in FY23 was grouped into the following categories, with clear, simple, and customised services specifically designed for the unique needs of each:

- **CFP® professionals**
- **Practitioner members**
(including Financial Planner AFP® members and Provisional Adviser members), and
- **Affiliates**
(including Student, Retired, Leave of Absence and Academic Affiliate members)

The FAAA continues to actively support quality new talent to build the next generation of financial advisers, and continues to host a variety of educational events and activities often in collaboration with educational providers and local FAAA communities.

FAAA Professional Practice Program

The FAAA Professional Practice program recognises financial planning practices that go above and beyond, adhering to the highest professional and ethical standards through a commitment to the FAAA Professional Code and CFP® Certification.

In 2022/23, there were 164 practices in the FAAA Professional Practice program.

FAAA MEMBERS BY STATE

ACT: 2.1%

NSW: 32.1%

NT: 0.3%

QLD: 18.2%

SA: 6.9%

TAS: 1.8%

VIC: 29.4%

WA: 9.1%



ABOUT THE FAAA



Local support for members

FAAA members connect locally through a network of 32 chapters across Australia, each backed by a volunteer Chapter Chair (CFP® professional or Practitioner member) and committee. They are tasked with the mandate to engage with local members and facilitate connection amongst peers in the profession.

The FAAA greatly appreciates the commitment and dedication of the Chapter committees in supporting engagement with members at a local level.

The Chapters are coordinated and strengthened by input from the Regional Chapter Committee (RCC) Board Committee, together with regular State Chapter Chair meetings.

The members of the RCC are:

- **Chair:** Kearsten James CFP® (resigned November 2022)
- **Chair:** Julian Place CFP® (appointed November 2022)
- Mark Alexander CFP® (resigned November 2022)
- Naomi Alletson AFP®

- Susie Erratt CFP®
- Michael Smith AFP®
- Naomi Mee-Martino CFP®
- Gary Jones AFP®

Following the merger of the two associations, much work has gone into reviewing local engagement, with an integrated Community Engagement model to be rolled out in 2023/24.

FAAA CHAPTER NETWORK

NEW SOUTH WALES

Sydney | Far North Coast NSW | Mid North Coast | Newcastle | New England Riverina | Western Division | Wollongong

VICTORIA

Melbourne | Albury/Wodonga | Ballarat | Bendigo | Geelong | Gippsland | Goulburn Valley | South East Melbourne | Sunraysia

QLD

Brisbane | Cairns | Gold Coast Mackay | Rockhampton/ Central QLD | Sunshine Coast | Toowoomba/Darling Downs | Townsville | Wide Bay

SOUTH AUSTRALIA TASMANIA

WESTERN AUSTRALIA NORTHERN TERRITORY

AUSTRALIAN CAPITAL TERRITORY



FAAA Members

The professional body of choice for
the financial advice profession

Member Awards

Through our Awards programs, we recognise excellence in advice and share the good stories about how our profession is delivering for the Australian community.

The 2022 Awards program recognised members who delivered the highest standards of professional and trusted advice to Australian consumers. The Awards program also highlights outstanding university students who are the future of our profession. The 2022 Award winners were:



CFP® PROFESSIONAL OF THE YEAR

Andrew Reynold CFP®
EFS Advice
(NSW)



FINANCIAL PLANNER AFP® OF THE YEAR

Lili Hong AFP®
Future Gen Solutions
(QLD)



ADVISER OF THE YEAR

Felicity Cooper
Cooper Wealth Management
(QLD)



PROFESSIONAL PRACTICE OF THE YEAR

Alman Partners
(QLD)



UNIVERSITY STUDENT OF THE YEAR

Matthew Kanizay
Deakin University
(VIC)



FEMALE EXCELLENCE IN ADVICE

Amie Baker
Rekab Advice
(NSW)

FAAA MEMBERS

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. The recipients of the Gwen Fletcher Award during the 2022/23 financial year were:



SEMESTER ONE 2022
Brigitta Gersey CFP®



SEMESTER TWO 2022
Andrew Mabarrack CFP®



SUMMER SEMESTER 2022
Jessica Dean CFP®



SEMESTER ONE 2023
Kristine Pham CFP®

CFP® Certification Program

The CERTIFIED FINANCIAL PLANNER® designation is the leading certification for financial planners globally. The CFP designation is respected as the global certification for those committed to excellence and ethical financial planning advice.

The FAAA is the only association licensed to deliver and administer the CFP® designation in Australia. The CFP® designation is an important differentiator and is the pinnacle in financial planning certification around the world.

Global reach

Across the world, the CFP® professional community continues to thrive as demand for the certification continues to rise. The Financial Planning Standards Board (FPSB) and its network of Affiliate organisations around the globe have certified 213,002 CFP professionals worldwide.

Combining a Masters with CFP® Certification

The FAAA continues to progress with the integrated CFP Certification Program and Masters degree pathway which is available for students through three education providers across Australia. The integrated Masters program allows Masters students to receive recognised prior learning for CFP 1-4 units and take the CFP-C unit as an elective, thereby combining CFP Certification with a Masters of Financial Planning.

Semesters

The FAAA offered a Summer Semester 2022 and then two semesters during 2023. Enrolments for Semester 1 opened on 9 January and Semester 2 opened on 31 May 2023.

CFP® professionals in Australia

On 30 June 2023, there were 4,635 CFP professionals

with 142 new applications this year. The CFP program consists of four units plus a Capstone Certification unit. Since January 2023, CFP 1-4 units are now offered as self paced online and on-demand subjects. This means that enrolments can be accepted at any time. These units are assessed via an exam. The Certification unit is offered via a semester format with two or three intakes each year. The Certification unit is assessed in three parts. 1) an experience assessment based on client interactions 2) a written assignment, and 3) a multiple choice exam.

Increased learning support

Semesters offered in 2023 have included three tutorial sessions to enrolled students and two drop-in sessions to provide students with the best chance for success.

FAAA MEMBERS

CFP® professionals in Australia 2022/23 FY



Enrolled student demographic



OLDEST STUDENT

68

YOUNGEST STUDENT

26



FEMALE

40%

MALE

60%

142

CFP Certification enrolments

78

Exams attempted

107

Assignments marked

FAAA MEMBERS



Congratulations to the following members who became CERTIFIED FINANCIAL PLANNER® professionals during the 2022/23 financial year.

Alisa Burns CFP®
Alka Gowri Kalasabail CFP®
Allan Phu CFP®
Amber Nicole Dillon CFP®
Amy Kathleen Murphy CFP®
Andre Leonard Woud CFP®
Andrew James Mabarrack CFP®
Andrew Michael Grainger CFP®
Andrew Scott Robertson CFP®
Angelina Singh CFP®
Anthony Lucarelli CFP®
Avinash Benjamin CFP®
Bianca Kaye Ford CFP®
Brigitta Hembrow Gersey CFP®
Bruce Grieve CFP®
Bruce Killingly CFP®
Bryan Alban Roberts CFP®
Cameron Furness CFP®
Cardy Man CFP®
Carel Daniel Scheffer CFP®
Carla Cosgrove CFP®
Cheuk Yin Chan CFP®
Christopher John Yarrington CFP®
Christopher Youssef CFP®
Daniel Graham Jones CFP®
Daniel Rickard CFP®
Daniel Steven Krstevski CFP®
Danilo Medojevic CFP®
David William Haydon CFP®
Declan Gavin Doolan CFP®
Dennis J. Maddern CFP®
Geoffrey Martyn Taylor CFP®
Henriëtte Scheffer CFP®
Henrique Leong CFP®
Huixian (Michelle) Li CFP®
Imogen Jordan Sloss CFP®
Jan-Carel Mentz Botha CFP®
Jane Hopkins CFP®
Janet Kaplandjian CFP®
Jarrod Kevin Rodda CFP®
Jason Rademan CFP®
Jayden Trent Allison CFP®
Jeffrey Stuart Bonnici CFP®
Jessica Basinillo-Weaver CFP®
Jessica Huyen Do CFP®
Jessica Rose Dean CFP®
Jialu Liang CFP®
Jie Lin CFP®
Joanne Rose Benny CFP®
Katie Louise Manning Gaunt CFP®
Kaye Taing CFP®
Kelly M. Kennedy CFP®
Kristine Pham CFP®
Liam Catchpole CFP®
Lili Hong CFP®
Lin Xia Khoo CFP®
Lu Ma CFP®
Lucian Russ CFP®
Luke Maxwell Felsch CFP®
Mark Steven Edwards CFP®
Matt Jake Micallef CFP®
Matthew Bindah CFP®
Matthew A. Firman CFP®
Matthew Langhein CFP®
Matthew Tarrant CFP®
Melinda Anne Leculier CFP®
Melissa Jane Rethati CFP®
Michael Alexander Peart CFP®
Michael Andrew Jerard CFP®
Michael Barry Ashcroft CFP®
Michael Eikelis CFP®
Michael Forer CFP®
Mitchell Ryan Webster CFP®
Mst Ferdausi Aktar CFP®
Nathan James Cesario CFP®
Nazampreet Kaur CFP®
Nicholas George Horsley CFP®
Nicholas Michael Moran CFP®
Patricia M Gregory CFP®
Paul Clyde Nevin CFP®
Paul Stephan CFP®
Peter Jason Hodgson CFP®
Praveena Rajanayagam CFP®
Prue Cheeseman-Goodes CFP®
Rebecca Faiers CFP®
Richard Dale Marsh CFP®
Richard Hinch CFP®
Rikki Juzwin CFP®
Ross C. Tully CFP®
Ryan A. Pickles CFP®
Ryan Patrick Murray Braund CFP®
Sadiel Sheikh CFP®
Samuel P M Geurens CFP®
Samuel Thomas Hunt CFP®
Sandra Berlindis Labio CFP®
Sheng Zuo CFP®
Simone E. Brown CFP®
Syd David Jackson CFP®
Tahir Adeel CFP®
Taylah Saltmarsh CFP®
Tess McIntosh CFP®
Thilini Ishara Ratnayake CFP®
Thomas John Napier CFP®
Tim Manwaring CFP®
Tracee Huey Pang CFP®
Tracey Nuttall CFP®
Troy Francis Culloton CFP®
Vishal Gupta CFP®
Wade Paul Robinson CFP®
Wayne Mathew Terry CFP®
William T. Mackay CFP®
Xiao Yong Chen CFP®
Yan (Emily) Sun CFP®
Yi Ping Wang CFP®
Yvonne Ida Wilson CFP®
Zishen Fan CFP®

CPD, specialist designations and scholarships

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

Continuing Professional Development

FAAA members gain access to a comprehensive program of continuing professional development (CPD) through online materials, webinars, events and articles – accessible via the FAAA My CPD platform.

The 2022/23 CPD webinar program provided members with access to over 50 hours of accredited content across practice management, technical, regulatory and professional capabilities.

The FAAA also accredited 2,695 hours of CPD through our accreditation service, which offers independent evaluation of professional development activities outside the FAAA. In addition, our CPD partners accredited another 1,000+ hours of CPD.

Specialist designations

FAAA AGED CARE SPECIALIST PROFESSIONAL DESIGNATION

Now in its third year, there are 223 members

who hold the FAAA Aged Care Specialist designation, developed in collaboration with the Aged Care Steps Accredited Aged Care Professional™ program. The FAAA is committed to providing its members and the wider financial planning profession with the skills and resources to meet the needs of the increasing number of Australians moving into the later stages of life.



Scholarships Program

The FAAA is a strong supporter of the education and upskilling of all financial advisers and prospective financial advisers. Since 2021/22, the organisation has administered a scholarship program of over \$2.2m on behalf of generous donors and grant schemes.



FAAA MY CPD KEY STATISTICS

2,695

Total FAAA accredited CPD hours

158

new CPD content pieces available via the FAAA Learn catalogue

50

Hours of CPD webinars

Women in Finance and Economics Scholarship Program

The FAAA has continued to play a key role in providing scholarships valued at up to \$50,000 each which encourages more women to pursue careers in financial planning or other business streams, or to renew, upskill or refresh their skills in these areas. It comes after the FAAA was selected to manage and deliver a \$2.2 million scholarship program for women in finance and economics in May 2021, as part of the Women's Leadership and Development Program by the Department of the Prime Minister and Cabinet's Office for Women.



Australian Government

Department of the Prime Minister and Cabinet

Cumulatively, 62 scholarship agreements were finalised with 32 education providers supporting places in undergraduate and postgraduate degrees, designations, internships, mentoring programs, work placements, conferences and short courses. 62 scholarship programs were opened and closed, with 5 programs still running as of 30 June 2023. 1263 applications were processed, and 307 applicants were awarded a scholarship. FAAA programs in 2023 supported by this funding included:

- An FAAA mentoring programme for women in financial planning, which 50 women took part in.
- A Professional Year Grant program through which two financial planning practices were supported.
- Two women were awarded CFP® Certification Program scholarships.

Cumulative impact



During the 2022/23 financial year



170+

CPD suppliers

19,508

Searches made in FAAA My CPD

33.7%

Increase in new visitors to FAAA My CPD

55,172

Visits to the FAAA My CPD Tracker

Member Events

In-depth education and ongoing development with a welcome and successful return to face-to-face, in-person events.

2022 Congress in Sydney

After two cancellations due to the pandemic, the 2022 FPA Professionals Congress was delivered in November 2022 under the banner of 'Reunite Reset'.

The event was held at the ICC Sydney over 2 days and featured three streams of workshop content, along with three plenary sessions and additional workshops for special interest groups. Broadcaster Adam Spencer was the Congress MC and host, introducing keynote speakers Professor Andrew Scott (London Business School), Matt Jones (Four Pillars) and Ben Crowe (Mind coach for Ash Barty & Dylan Alcott) who were well received and rated highly alongside our extensive workshop program that featured over 60 speakers. Delegates were able to earn up to 16.25 CPD hours from the in-person event and post-event session recordings.

The production of Congress was brought in-house for the first time, delivering significant cost savings without compromising the quality of the event - and with strong attendance numbers, it was clear our members and partners were keen to get back to face to face networking with their peers.

Roadshow - an exciting new format

The 2023 United Association Roadshow series ran from 5 May – 2 June across 10 locations, made up of seven capital cities and three regional locations.

The new look, full-day event was introduced this year and included an FAAA member update session to open the day, followed by educational and peer learning sessions with up to 4.75 CPD hours on offer and a small exhibition of up to 20 exhibitors at each location.

Local engagement recommences

After a decline in the number of regular face to face Chapter events due to the pandemic, member events were back on track and the Events team and Chapter committees delivered a busy calendar of events for the year.

These events offered members valuable opportunities to hear from expert speakers and subject matter experts on professional development topics, network with peers and colleagues, and re-engage in purely social gatherings.

A total of 48 local events took place during 2022/23 and were attended by more than 3,330 members.

Large-scale events

Additional events are held during the year to celebrate several significant sporting events. Always extremely popular, members had the opportunity to attend the annual AFL Grand Final Lunch in Melbourne, State of Origin events in Brisbane and Sydney, and Melbourne Cup events in several states.



FAAA MEMBERS



2022 PROFESSIONALS CONGRESS
SYDNEY 23-24 NOVEMBER

1,155

Congress attendees

81

Congress partners

16.25

CPD hours available



UNITED ASSOCIATION
ROADSHOW
MAY - JUNE 2023

1,560

Roadshow attendees

20

Roadshow exhibitors

4.75

CPD hours available



FAAA
CHAPTERS

48

Chapter events

3,336

Total attendees



Academic engagement

The FAAA's close ties with academics across Australian universities continues to help the organisation promote financial planning as an attractive career choice. These efforts seek to grow the number of financial planning students in Australia, as well as deliver valuable education offers for FAAA 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 the year, the key focus of FPEC was the proposed changes to the education standards. FPEC also welcomed a new Chair and CFP representatives to the Council.

Financial Planning Research Journal

A joint initiative of the FAAA 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 FAAA and the financial planning academic community.

Available on the FAAA website, the journal incorporates peer-reviewed academic articles from Australian and international authors covering the full spectrum of the financial planning profession. The academic research journal published this year covered personal budget management services and debt repayments, retiree financial planning horizons and the impact on retirement satisfaction, motivations to pursue a career in financial planning, and effective asset allocation and ETFs.

Promoting financial planning as a career

This year, the FAAA maintained a focus on raising awareness of financial planning as a career of choice among students, as it seeks to grow the number of financial planning students across Australia.

Face-to-face student events re-commenced in the 2022/23 financial year with FAAA members and staff being present at career expos and as university guest lecturers.

The FAAA podcast is now available on Apple, Google and Spotify, and has released 5 episodes aimed specifically at future financial planners covering topics such as how best to structure your degree, the Professional Year in practice and how to get your first job in financial advice.



FAAA Professional Standards

The Professional Standards Team sits within the Education and Professionalism Department. Its role is to promote high standards of professional conduct within the FAAA's membership and the wider financial advice profession.

The team fulfils this mandate by holding members accountable via FAAA disciplinary powers, and supporting members with advice, guidance, and support.

In 2022/23, the FAAA's Professional Standards program resulted in the following activity and results.



MEMBERSHIP TERMINATIONS We terminated three FAAA members under clause 16 of the FAAA Constitution.



ASIC BANS

Of the 36 ASIC bans in the 2022/23 financial year, none were current members of the FAAA.



CONDUCT REVIEW COMMISSION (CRC) ACTIVITY

The CRC undertook three (3) disciplinary hearings and handed down two (2) determinations, with one matter still pending at the end of the financial year.

SUPPORT GUIDANCE AND OTHER ACTIVITY

In addition to the material made available at Congress 2022, the Professionalism Team produced eight hours of Ethics CPD training for members.



The team responded to hundreds of enquiries and undertook 264 CFP trademark checks.



Following either information from our members or an FAAA investigation, four (4) matters were reported to ASIC.



99 cease and desist letters were produced regarding the unauthorised or incorrect use of the CFP Marks.





Policy & Advocacy

FAAA to be the voice of the
financial advice profession

Advocating for affordability and sustainability

2022/23 was a year of good progress in FAAA advocacy.

The 2022/23 financial year commenced with a new Labor Government and with it the challenge of recalibrating and pivoting our advocacy efforts.

The FAAA has worked closely with the Minister for Financial Services, Stephen Jones, including meetings throughout the year and then a series of member briefings with the Minister commencing in Hobart in June 2023. We have also worked closely with Treasury and the team responsible for delivering some of the biggest and most important reforms to impact financial advice for many years.

Quality of Advice Review

There was substantial progress on the Quality of Advice Review (QAR), with extensive consultation with the QAR team taking place in the second half of 2022, before the final report was handed to the Government in December 2022. Following the Government release of the final report in February 2023, the FAAA, both independently and as a member of the Joint Associations Working Group (JAWG), engaged with the Minister and Treasury to encourage the Government to support vital 'quick wins' including the removal of Fee Disclosure Statements, rationalisation of fee consent, removal of the Best Interests Duty Safe Harbour steps, and an overhaul of financial advice documentation. The profession's advocacy efforts were supported in the Government's Roadmap for Financial Advice Reform, *Stream one – removing onerous red tape that adds to the cost of advice with no benefit to consumers.*

Experienced Adviser Pathway

The Government recommenced consultation on legislation to implement an Experienced Adviser Pathway during the year, with legislation tabled in the

Parliament in June 2023. We recognise that this issue has generated heated debate, however we believe that the profession must come together and support all those who will continue as financial advisers beyond the 1 January 2026 deadline to meet the education standard.

Advocating with members

The Review of the ASIC Industry Funding Model and continued consultation on legislation to establish a Compensation Scheme of Last Resort (CSLR) were ongoing significant issues which saw our engagement efforts strongly supported by members highly engaged in advocacy on an individual and local level using FAAA advocacy tools.

Throughout the financial year, the FAAA convened more than a dozen member working groups to discuss and inform our policy positions to ensure both members' and their clients' interests were represented in our advocacy efforts. This was supported by numerous member surveys and requests for feedback via FAAA Community. We also released guidance on 12 regulatory matters to assist members with understanding any changes to requirements.

The creation of the FAAA, following the merger of the FPA and the AFA, allowed the FAAA to advocate with a stronger united voice.

POLICY & ADVOCACY

FAAA Policy Platform Progress

The financial year saw a significant focus on the role of the Quality of Advice Review (QAR) in progressing most areas of FAAA's Policy Platform. To ensure the intent of the Policy Platform concerns and recommendations were addressed, advocacy included implementation and review of recently completed government reforms.

REGULATION

1.1 SINGLE DISCIPLINARY BODY

- Continued to liaise with ASIC regarding the operation and processes of the Financial Services and Credit Panel (FSCP).
- Advocated for appropriate funding mechanisms of the single disciplinary body with the Minister, Treasury and ASIC.

1.2 SINGLE REGISTRATION

- The requirement for financial advisers to be registered on the Financial Advisers Register (FAR) was postponed due to legislative and technology issues.
- Advocated with multiple politicians, including cross-benchers, to pass the Bill to amend the law to formally postpone the requirement for relevant providers to be registered on the FAR, to provide certainty for the profession.
- Liaised with ASIC to deliver effective communication for financial advisers regarding the timeframe of the postponement of the registration requirement.
- Engaged with ASIC and the ATO on stage 2 implementation of the financial adviser registration requirement, that would see the FAR transferred to the ATO and registration becoming an individual planner responsibility.

1.3 SINGLE SET OF FEES

- Focused on advocating to reduce the impact of the ASIC Industry Funding Model on financial advisers and their clients.
- Continued to actively advocate with the Minister, Treasury and ASIC to change the ASIC Industry Funding Model to improve the transparency and fairness of the allocation of ASIC expenditure.
- Conducted an advocacy campaign on the need to improve the ASIC funding model and raised this issue through the Senate Economics Committee inquiry into ASIC enforcement capability.
- Participated in the Treasury Review of the ASIC Industry Funding Model.
- Advocated for an extension of the freeze on the ASIC levy for financial advice licensees.

POLICY & ADVOCACY

1.4 SINGLE SET OF PROFESSIONAL STANDARDS

- Ongoing engagement with the QAR on the need to remove the duplication of financial advice regulatory requirements and rely on the financial adviser professional standards and the use of professional judgement.
- Continued to liaise with Treasury and the Minister on the need for greater certainty in the wording of some standards in the Code of Ethics.
- Worked with Treasury and ASIC to ensure the transfer of the standard setting obligations to the Minister, and the administration of the exam to ASIC included appropriate, clear and accessible guidance for the profession.
- Advocated for greater recognition in the education standard of the role of experience and prior learning in developing financial advice competencies.
- Raised issues with Treasury about technical complications impacting the approval of financial advisers' and new entrants' relevant qualifications.

CONSUMER PROTECTION

2.1 GENERAL ADVICE

- Continued to liaise with government and the QAR for a change to the regulation of general advice.
- Contributed to additional consultations on the QAR.
- Supported the QAR recommendation to expand the definition of personal advice to include some circumstances which are currently covered by the general advice provisions, making the delineation between personal and general advice clearer, noting further consultation is needed.

2.2 RESTRICTED AND LIKE TERMS PROTECTION

- Ongoing liaison with ASIC on instances of the mis-use of 'like terms' by unqualified providers.
- Advocated for the use of the terms financial planner and financial adviser to be restricted to those on the ASIC FAR.
- Advocated with the Australian Bureau of Statistics (ABS) to amend the Australian and New Zealand Standard Classification of Occupations (ANZSCO) by relying on the protected terms 'Financial Adviser/ Financial Planner' as the principal title of its occupation unit and introduce a new classification of Paraplanner as an emerging occupation. The ANZSCO underpins the data that informs all government policy decisions including on vital matters such as immigration, education and training, financial literacy and financial services; and is heavily used by business, education providers and other stakeholders.

POLICY & ADVOCACY

2.3 SOPHISTICATED INVESTOR

- Successful in our advocacy with the Minister on establishing a review of the wholesale / retail client definitions and thresholds.
- Called for the need for the thresholds to be increased, with indexation, to protect vulnerable consumers into the future.

2.4 PROFESSIONAL INDEMNITY INSURANCE

- Participated in Treasury's review of professional indemnity insurance for financial planners.
- Actively participated in an industry working group with the Insurance Council of Australia (ICA), PI insurers, and PI brokers tasked with identifying solutions to improve the availability and affordability of PI insurance for financial planning businesses.
- Continued to raise the issue of availability, affordability and adequacy of PI insurance for advice providers with the Minister, Treasury, ASIC, AFCA and the Senate Economics Committee in relation to the establishment of a Compensation Scheme of Last Resort (CSLR).
- Continued to encourage ASIC to closely monitor the PI market and adequacy of policy offerings.
- Following continued advocacy from the FAAA, amendments were made to the AFCA Rules and Operational Guidelines to clearly state AFCA's intention to reject complaints that lack merit or where no consumer loss or no provider error has occurred.

LICENSING OF INDIVIDUALS

3.1 PROFESSIONAL REGISTRATION

- Continued to liaise with government on the implementation of Stage 2 registration – the transfer of the FAR to the ATO - to enable financial planners to be individually responsible for registration, not their employer or licensee.

3.2 SEPARATION OF PRODUCT AND ADVICE

- Continued to liaise with the ALRC and QAR for financial advice to be regulated as a professional service rather than a financial product.
- Called for separate Rule Books for the provision of financial advice and financial products in response to the ARLC Interim Report B proposals to restructure the Corporations Act.

POLICY & ADVOCACY

3.3 FUTURE OF LICENSEES

- Continued to highlight to government and the QAR, the significant duplication of requirements for financial advisers who are required to meet the education and professional standards including the Code of Ethics, as well as the more prescriptive and duplicative financial advice requirements in the Corporations Act and as imposed by their licensee.
- Consulted with licensees to address issues with the licensing regime.

3.4 TAX AND CENTRELINK AGENT STATUS

- Continued discussions with the ATO and TPB, including through our membership of the Tax Practitioners Standards and Governance Forum, for financial planner access to the ATO portal.
- Liaised with the Minister for Government Services regarding improving online access arrangements to better enable financial planners to assist their clients with Centrelink administered benefits.

TECHNOLOGY

4.1 ACCESS TO DATA

- Continued advocacy with government and the Senate Economics Committee for the implementation of the extension of CDR to superannuation and insurance products in phase 3.

4.2 ELECTRONIC DISCLOSURES AND TRANSACTIONS

- Ongoing liaison with ASIC and other key stakeholders for support of our Video SOA project.
- Continued active discussions with government on the impost of the advice disclosure obligations and the need for reform.
- Worked with product provider associations to encourage a standardised approach to client consent requirements.

POLICY & ADVOCACY

COST OF FINANCIAL ADVICE

5.1 ABILITY TO RECEIVE THE ADVICE YOU WANT

- Contributed to the ongoing policy debate, including via the QAR, on the ability for clients to both receive advice and pay for advice on a spectrum - from simple single issue advice, layering of advice, to holistic advice as they require - and an expansion of fee authorisation and collection methodologies across all payment and product options.
- Highlighted the need for advice providers to be appropriately qualified to be permitted to provide personal advice.

5.2 SMALL INVESTMENT ADVICE

- Continued to engage with the Minister and government on improving the ability of qualified financial planners to provide consumers with access to simple and affordable advice.
- In response to the QAR recommendations for limited scope advice, advocated for education requirements for super fund employees and representatives, with a limited scope of the advice and the duty that advice would need to meet.

5.3 TAX DEDUCTIBILITY OF ADVICE

- Continued to advocate for all financial advice services to be eligible for clients to receive a tax deduction in submissions to both 2022/23 Federal Budgets, with the QAR and directly with the ATO.
- Advocated for and worked with the ATO to seek an updated tax ruling on the deductibility of financial advice fees.

5.4 FEES FROM SUPERANNUATION

- Continued to advocate with government, Treasury and the QAR to ensure financial advice fees could be collected from clients' superannuation accounts where the advice is in relation to the clients' interests in the superannuation account.

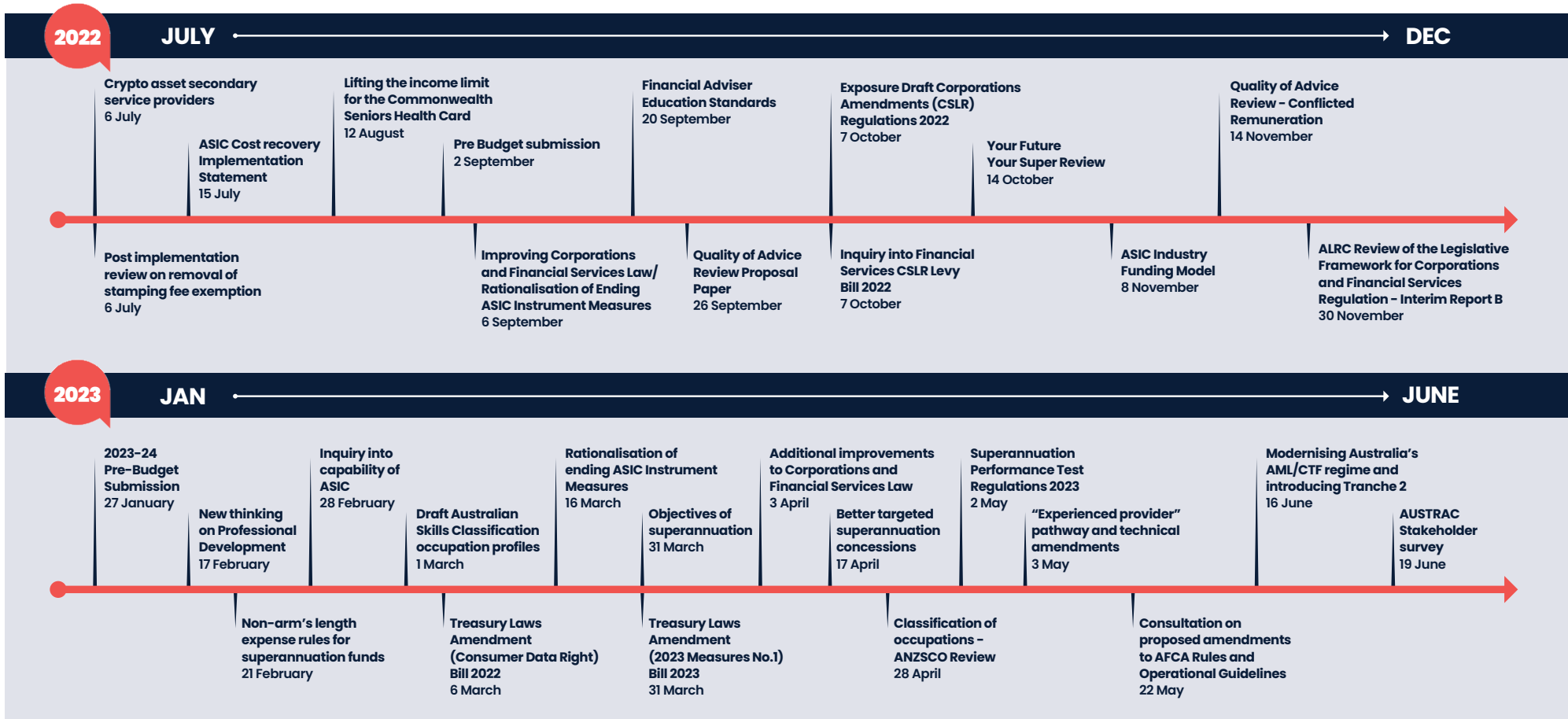
5.5 INSURANCE ADVICE FEES

- Through the work of the FAAA Life Insurance Taskforce, engaged with ASIC, APRA, government and the QAR to ensure clients have a choice of methods to pay for life insurance advice including commissions.

POLICY & ADVOCACY

Submissions

The below timeline outlines the public submissions made by the FAAA.



Public and joint submissions are available to view on the FAAA website.

POLICY & ADVOCACY

Joint submissions

During the reporting period the FAAA worked collaboratively with a number of other associations on key issues affecting the profession. Several submissions resulted from these collaborations.

CPA, FAAA, IPA, SMSFA, CAANZ

Exposure Draft - Corporations Amendment (CSLR) Regulations 2022, CSLR Levy Regulations 2022

Treasury
7 October 2022

Access to offenders' superannuation for victims and survivors of child abuse

Treasury
16 February 2023

Non-arm's length expense rules for superannuation funds

Treasury
21 February 2023

TPB Tax Practitioners Governance and Standards Forum

TPB Review reforms

Treasury
5 December 2022

Implementation of government response to review of TPB

Treasury
11 December 2022

Joint Association Working Group (JAWG)

Financial Adviser Education Standards consultation paper

Treasury
20 September 2022

Quality of Advice Review Proposals Paper

Treasury
26 September 2022

Quality of Advice Review - Conflicted Remuneration

Treasury
14 November 2022

Quality of Advice Review - Implementation Recommendations

Treasury
21 April 2023

Member-based working groups

- Disclosure / advice documentation
- Change to the structure of the Corporations Act
- Cost of Advice
- Cost of advice study (Time and motion)
- What is quality advice?
- Financial product advice definitions
- Wholesale / Retail client definitions
- Conduct and best interest obligations
- Professional Indemnity Insurance
- ASIC Industry Funding Model
- Professional Recognition
- ALRC Interim Report B

MEMBER GUIDANCE AND TOOLS

During the year, the FAAA released guidance on twelve regulatory matters to assist members with understanding any changes to requirements.

- Foreign qualifications
- Consumer Data Rights
- ID verification
- Cybersecurity
- FAAA Video SOAP Box
- File Note Guidance
- Breach Reporting Guidance
- Reference Checking Guidance
- Education Pathway Toolbox
- Financial Adviser Exam Toolbox
- Oct 2022 Federal Budget Wrap and Webinar
- May 2023 Federal Budget Wrap and Webinar

Stakeholder engagement

Policy and Advocacy continues to be a part of the business that drives stakeholder engagement.

More than 250 meetings were taken with external policy stakeholders, totalling more than 750 hours across the business.

Joint Association Working Group (JAWG)

The Joint Association Working Group met 18 times.

This includes an in-person meeting in Canberra with Minister for Financial Services Stephen Jones.

JAWG, led by the FAAA, hosted a QAR Breakfast in Hobart in June 2023.

Along with the Financial Advice Association Australia, the Joint Association Working Group consists of:

- Boutique Financial Planning Principals Association Inc. (BFP)
- Chartered Accountants Australia and New Zealand (CA ANZ)
- CPA Australia
- CFA Society
- Financial Services Council (FSC)
- Financial Services Institute of Australasia (FINSIA)
- Institute of Public Accountants (IPA)
- Licensee Leadership Forum (LLF)
- Self Managed Super Fund Association (SMSFA)
- Stockbrokers and Investment Advisers Association (SIAA)
- The Advisers Association Ltd (TAA)

Government engagement

The FAAA Policy and Advocacy team met with Minister Stephen Jones bilaterally on two separate occasions during the year.

At least 17 Federal Parliamentarians' offices were engaged by the team. These include in-person meetings, e-meetings, staffer briefings and liaising on issues important to the profession.

The team were present at the Budget Lock-Up in Canberra for the Federal Budget in March 2023.



The FAAA actively participated in numerous Treasury consultations throughout the year including two QAR consultations, one on the Experienced Adviser Pathway and one on the taxation of financial advice.

The FAAA participated in the National Drought Forum – Shared Responsibilities Group.

The Policy & Advocacy Team met with National Skills Commission on the Government Skills Priority List.

The team also assisted the Australian Bureau of Statistics on the ANZSCO.

Meetings were also held with external stakeholders such as CAANZ, CALI, Choice, CPA Australia, SMSFA, FSC, ICA, IPA and SIAA. The team also met with the Financial Planning Education Council (FPEC) on four occasions on EAP and education standards.



Consumers

Showcasing the value of advice and increasing awareness of the benefits of professional financial advice.

Raising awareness and promoting the value of financial advice

Through various initiatives the FAAA champions the financial advice profession and promotes the benefits of professional financial advice.

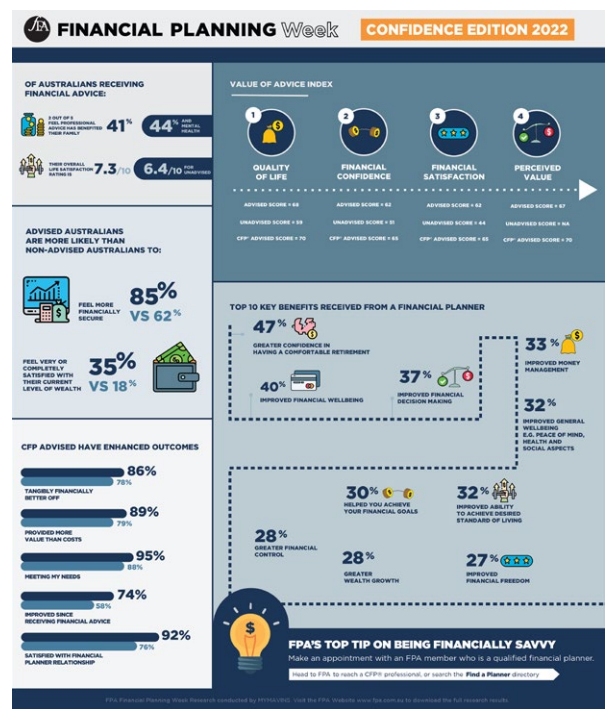
Financial Planning Week

Celebrations for the 2022 Financial Planning Week + World Financial Planning Day in October 2022 were once again used as an opportunity to highlight the benefits of financial advice to consumers.

In collaboration with research consultancy MYMAVINS, research was undertaken to introduce the inaugural Value of Advice (VoA) index which reflects quality of life differences perceived between advised and unadvised Australians.



Example social media asset



Financial Planning Week infographic

FP WEEK MEDIA ACTIVITY

Financial Planning Week generated:



POSTS IMPRESSIONS LIKES/SHARES



6 3,886 10



6 6,333 325



6 13,989 257

CONSUMERS

FAAA Find a Planner tool

The FAAA plays an important role in helping to connect consumers looking for a financial adviser with FAAA 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.

Find a Planner is the FAAA's online search directory which allows a consumer to verify if a financial adviser is an FAAA member, or to search for an FAAA member in their location by entering their postcode to receive a list of planners and their profiles. The Send a Message feature allows a consumer to make email contact with the FAAA member.

The online directory is accessible at faaa.au/find-a-planner/.

Money & Life

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

Much of the content is contributed by FAAA members and showcases their expertise. The site currently also caters for financial planning professionals and offers a digital newsletter which has on average over 8,000 subscribers.

Money & Life Professionals publishes industry news, insights, and analysis, thought leadership content and provides access to CPD articles and quizzes for practitioners.

Cancer Council Pro Bono Financial Planning Program

The FAAA has partnered with the Cancer Council for several years to support a national referral program helping families affected by cancer who are unable to afford the cost of financial advice.

There are currently 160 FAAA practitioner 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. During the 2022/23 financial year, 152 client cases were provided pro bono financial advice.

FAAA FIND A FINANCIAL PLANNER

14,845

Visits to the Find a Planner webpage

57,758

Searches made on Find a Planner

92,509

Individual financial planner details viewed as a result of a search

2,201

Client messages sent via Find a Planner

MONEY & LIFE

BY THE FINANCIAL ADVICE ASSOCIATION AUSTRALIA

91,660

Website visitors

2:34

Average time on website (minutes)

Most popular article

What does it really cost to raise kids?



160

FAAA members registered in the program

152

Client cases provided with pro bono financial advice in 2022/23



FINANCIAL ADVICE
ASSOCIATION AUSTRALIA

(Formerly known as Financial Planning Association of Australia)
(Limited by guarantee)

ABN 62 054 174 453

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

Financial Advice Association of Australia Limited

CORPORATE INFORMATION

ABN 62 054 174 453

DIRECTORS

D. Sharpe Chair

M. Veitch Deputy Chair (appointed 3 April 2023)

D. D'Ambra

P. Garcia (appointed 3 April 2023)

K. Hayes (appointed 3 April 2023)

A. Henderson (resigned 22 November 2022)

K. James

W. Johns

A. Martyn (appointed 22 November 2022)

J. Matheson

S. McDonagh (appointed 3 April 2023)

J. Place

J. Tan (Appointed 22 November 2022)

CHIEF EXECUTIVE OFFICER

S. Abood

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 Lawyers

Suite 2, Level 10

64 Castlereagh Street

Sydney NSW 2000

BANKERS

National Australia Bank

Melbourne VIC 3000

AUDITORS

LNP Audit and Assurance Pty Limited

Level 8, 309 Kent Street

Sydney NSW 2000

DIRECTORS

The names and short biographies of the Financial Advice Association of Australia Limited's ("FAAA" or the "Association") (formerly known as Financial Planning Association of Australia Limited) 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.



David Sharpe

CFP®, B.Com, Dip FP, MAICD

Appointed 22 November 2016

David is Chair of the FAAA Board and has been a financial planner and FAAA 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 FAAA CFP® Professional of the Year Award.

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

David chairs the Governance and Remuneration Committee, and is a member of the Board Finance, Risk and Audit Committee.



Michelle Veitch*

FChFP, Adv DipFP, MAICD,
Certified Practitioner NLP
(Bus. Comms.)

Appointed 3 April 2023

Michelle is the Deputy Chair of the Board. Michelle has over 25 years financial services experience as a Senior Financial Adviser and is the founding principal and Managing Director of her South Australian based practice, Mybluesky.

At the AFA she was the Vice President and served the AFA community in various leadership roles for over 10 years including State Chair and South Australian Director. Michelle is a Fellow Chartered Financial Practitioner (FChFP), Member of the Australian Institute of Company Directors (MAICD) and Certified NLP Practitioner (Bus. Comms).

Michelle is a member of the Board Finance, Risk and Audit Committee of the FAAA.

DIRECTORS' REPORT for the year ended 30 June 2023



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 has more than 15 years' non-executive director experience advising listed, commercial and for purpose boards and more than 25 years' experience as a corporate finance executive director at KPMG, delivering corporate finance, mergers, acquisitions and investment advice across many industries including financial and investment services, property development and infrastructure, fast moving consumer goods, and healthcare.

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 Board Finance, Risk and Audit Committee of the FAAA.



Patricia Garcia*

CFP®, ADFP, B Biotech
(Hons)

Appointed 3 April 2023

Patricia has been an Adviser since 2012 and a director of her own Queensland-based firm, Your Vision Financial Solutions, since 2016. She is a CERTIFIED FINANCIAL PLANNER® professional, has completed the Advanced Diploma of Financial Planning and holds a Bachelor of Biotechnology (Honours) from the University of Queensland.

She was a board member of the Association of Financial Advisers for over four years up until the merger with the FAAA. Some of her most recent successes include being a finalist for 'Fortnum's Adviser of the Year' award in 2022 and 2021 and being awarded one of the '50 Most Influential Advisers in 2022'. She also won the FAAA AFP Financial Planner of the Year award in 2017.



Katherine Hayes*

Grad Dip App Fin
Grad Cert FS

Appointed 3 April 2023

Katherine is the owner of Canberra-based Hayes and Co Insurance Services and has been working in the financial advice profession for 20 years. She was the winner of the 2017 & 2018 IFAA Risk Adviser of the Year Award and served as the AFA's NSW and ACT state director from October 2020.

Katherine is a member of the Policy and Regulations Committee and a member of the Joint Task force for Life Insurance and has served on Life insurance advisory boards.



Alison Henderson

CFP®, B.Com, M.Com, Dip
FMB, MAICD

Appointed 22 November 2016

Resigned 22 November 2022

Alison is a Director and a Practice Principal of SWA Financial Planning (originally known as Symes Warne & Associates), an FAAA 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 FAAA member for over 20 years, during which she chaired the FAAA Professional Designations Committee as well as the Policy and Regulations Committee, and was a member of the Board Finance, Risk and Audit Committee and the Board Governance and Remuneration Committee.

DIRECTORS' REPORT for the year ended 30 June 2023



Kearsten James

CFP®, LRS®, B.Com

Appointed 25 November 2020

Kearsten James joined the financial planning profession in 2004 and has been a CERTIFIED FINANCIAL PLANNER® professional since 2009. Kearsten runs her own self-licensed financial planning firm, Addi House, based on the Gold Coast.

Kearsten won the FAAA Paraplanner of The Year Award in 2018 and was awarded the FS Power50 in 2022 for being one of the 50 most influential financial advisers in Australia. She was also a finalist in the FAAA CFP® Professional of The Year Award in 2019 and AFA Excellence in Education Award in 2019.

Prior to joining the board in November 2020, Kearsten was the Gold Coast FAAA Chapter Chair. Since joining the board, Kearsten has been involved in the development of the FAAA Masterclass Series and the FAAA Professionals Congress. Kearsten is the Co-Chair of the Culture and Community Committee and the Chair of the Professional Standards and Conduct Committee since January 2023. Prior to this she was a member of the Board Finance, Risk and Audit Committee and the Board Governance and Remuneration Committee.



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 FAAA 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 FAAA 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.

DIRECTORS' REPORT for the year ended 30 June 2023



Angela Martyn

CFP®

Appointed 22 November 2022

Angela Martyn is a practitioner member of the Board. She has been a member of the FAAA since September 1993 and a CERTIFIED FINANCIAL PLANNER® professional since May 1999. Her experience in financial planning spans a variety of different licensee structures, including as an AFSL holder for 22 years in her own business which recently merged with the Yarra Lane Group.

Angela is Chair of the FAAA's Policy and Regulation Committee, a member of the Board's Governance and Remuneration Committee and was a member of the AFA/FPA merger Steering Committee. She is a member of ASIC's Financial Adviser Consultative Panel and previous Past President of the Boutique Financial Planners Principals Association.

Professional qualifications and designations include a Bachelor of Business (Ec & Fin), SMSF Specialist Adviser (since Jan 2006) and an Accredited Aged Care Professional Adviser (since December 2014).

Angela is a regular presenter at FAAA and industry events and actively involved on various finance and investment committees outside the profession.



Julie Matheson

CFP®, LRS®, GAICD, BA
(UWA), DipFP (Deakin)

Appointed 25 November 2020

In 1989, Julie was a founding member of the IAFP which became the FPA and then subsequently the FAAA after the merger with the AFA. She was elected to the Board as a non-executive Director in 2006, 2010, 2013 and 2020. Julie served as WA Chapter Chair and on many committees of the Board since 1992 including the development of DFP 8 of the Diploma of Financial Planning and has been Chair of the Professional Designations Committee. Julie holds the CFP®, LRS® and AEPS® professional designations and is a member of the Board Remuneration and Governance Committee. She is a current member of the Board Finance, Risk and Audit Committee.

Some of the Board achievements while Julie has been a Director include the appointment of three successful CEOs to advocate for members to government, oversight of budgets to grow members funds from \$6 million to more than \$16 million with little or no increase in membership fees, and the development of a positive workplace culture which encourages innovation and business enterprise for the benefit of members.

Julie is FAAA Distinguished Service Award recipient and received the WA Local Government Association Merit Award for distinguished services to the community as an elected Councillor. Julie also served a five-year term as an elected Councillor and Treasurer of the University of Western Australia's Convocation Council.

DIRECTORS' REPORT for the year ended 30 June 2023



Shaun McDonagh*

BBus (Mkt Mngt), A/DegLaw, GradCertAdult Ed.Train., M Mkt Mngt, MComLaw, EDP, GAICD FAMI CPM

Appointed 3 April 2023

Shaun is a senior executive with over 25 years industry experience across education, training, health, community services, media, disability support, financial services and the not-for-profit (NFP) sectors.

A graduate and member of the Australian Institute of Company Directors (GAICD) holding undergraduate and postgraduate business and law qualifications along with 16 years as a board director and board chair.

Shaun served as an independent director of the AFA from February 2021. Also Chair Audit, Risk and Remuneration Committee for the AFA. He is a member of the Board Governance and Remuneration Committee of the FAAA.



Julian Place

CFP®, MBA GAICD

Appointed 25 November 2020

An FAAA member since 1998, Julian Place CFP® was appointed to the FAAA Board in 2020. He has been an active member of the FAAA Melbourne Chapter Committee for over 20 years including the past 14 years as Chair. A past recipient of the FAAA Distinguished Service Award, Julian co-designed the FAAA CPD Masterclass Series, is current Deputy Chair of the Financial Planning Education Council (FPEC), chair of the National Culture and Communities Committee (CCC), previous chair of the Professional Standards & Conduct Committee until January 2023, a member of the Board Governance and Remuneration Committee, and a member of the RMIT University Industry Advisory Committee.

A past director of not-for-profit organisations, Julian has also served as a director of the Future2 Foundation until 2023. A CERTIFIED FINANCIAL PROFESSIONAL® since 2005, Julian is passionate about the value of professional financial advice, and an advocate for sensible reform to make advice more accessible, and an attractive and sustainable profession.



Jade Tan

CFP®, BBus, LRS, SSA,
MAICD

Appointed 22 November 2022

Jade has been a member of the FAAA since 2002 and in 2007 became a CERTIFIED FINANCIAL PLANNER® professional. She holds a Bachelor of Business (Finance and Information Technology) and is also a Life Risk Specialist®, SMSF Specialist Adviser® and Member of the Australian Institute of Company Directors (MAICD).

Prior to joining the FAAA Board in November 2022, Jade spent 6 years on the FAAA Sydney Chapter including 4 years of being Chapter Chair. She is also an FAAA Women in Wealth Champion, a panellist at the last FAAA Professionals Congress, an Ambassador for Future2 and regularly attends local universities and TAFEs on behalf of the FAAA. Jade was also the NSW Gen Next Chair for the AFA and is a member of the ASIC Regional Liaison Committee advocating for the financial advice profession.

Jade chairs the Major Events Advisory Committee, is a member of the Board Finance, Risk and Audit Committee.

Company Secretary

Wendy Smith

(Appointed from 31 March 2020)

Corporate structure

The FAAA 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 17. The FAAA is incorporated and domiciled in Australia.

Objectives, strategy, nature of operations and principal activities

The FAAA is a not-for-profit membership entity.

The FAAA has 5 key roles:

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

* Directors joined the FAAA Board from the AFA merger on 3 April 2023.

FAAA's Strategic Objectives



Review of progress against objectives and results of operations

The Association recorded a before-tax surplus of \$391,000 for the year ended 30 June 2023 (2022: deficit of \$1,195,000) and an after-tax surplus of \$391,000 (2022: deficit of \$1,195,000), increasing accumulated members' funds to \$12,023,000 at 30 June 2023 (2022: \$11,632,000).

Significant changes in state of affairs

On 28 February 2023, members of the Financial Planning Association of Australia (FPA) and Association of Financial Advisers (AFA), each passed resolutions at respective extraordinary general meetings to approve the merger of the two associations.

Legal completion occurred on 3 April 2023 with the FPA formally becoming the Financial Advice Association of Australia Limited (FAAA) following the successful completion of conditions precedent set out in the agreed Merger Deed.

While nominated AFA staff transferred to the FAAA on the day of legal completion, invitations were sent to AFA members on 15 May 2023 to transfer their membership to FAAA, with an effective date of 1 July for those who accepted the invitation. During this period, heritage FPA members were invited to renew their membership with the FAAA.

Following the transfer of members to FAAA, the AFA Investment Fund trustee executed a Variation Deed reflecting a change in beneficiary from the AFA to FAAA, and the AFA began final wind-up protocols under a Member Voluntary Liquidation.

Subsequent events

Following the transfer of the AFA members to the Association on 1 July 2023, the AFA Investment Fund (AFAIF) distributed the majority of its assets to the Association on 6 July 2023.

On 11 July 2023, AFA members, at an Extraordinary General Meeting, passed a resolution to appoint Hayes Advisory, as liquidator for the windup of the AFA.

DIRECTORS' REPORT for the year ended 30 June 2023

The AFAIF Trustee and AFA Liquidator expect to finalise the respective wind ups in the October – December 2023 quarter following ordinary procedural activities, including final asset transfers.

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 16 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 ³													
			Finance, Risk & Audit		Governance & Remuneration		Policy & Regulations		Professional Designations		Professional Standards & Conduct		Regional Chapter		Major Events Advisory	
	A ¹	B ²	A	B	A	B	A	B	A	B	A	B	A	B	A	B
David Sharpe ⁴	9	9	6	6	5	5										
Diana D'Ambra ⁵	9	8	6	6												
Patricia Garcia	2	2													2	2
Katherine Hayes	2	1					2	1								
Alison Henderson ⁶	5	4			3	3	4	4								
Kearsten James ^{7,8}	9	9	3	2	1	1					3	3	2	2		
William Johns ¹⁰	9	8							3	3						
Angela Martyn ⁶	4	4			2	2	3	3								
Julie Matheson	9	9	6	4											2	2
Shaun McDonagh	2	2			1	1										
Julian Place ⁸	9	9			5	5					3	3	1	1		
Jade Tan	4	4	3	3											2	2
Michelle Veitch	2	1	2	1												

DIRECTORS' REPORT for the year ended 30 June 2023

Notes to table of meeting attendance

- ¹ Columns headed 'A' indicates the number of meetings the director was entitled to attend.
- ² Columns headed 'B' indicates the number of meetings attended by the director.
- ³ 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.
- ⁴ David Sharpe chairs the Board Governance and Remuneration Committee.
- ⁵ Diana D'Ambra chairs the Board Finance, Risk and Audit Committee.
- ⁶ Alison Henderson chaired the Policy and Regulations Committee until November 2022. Angela Martyn is the current chair. This committee has a number of members as detailed below.
- ⁷ Kearsten James chaired the Regional Chapter Committee until December 2022. Julian Place is the current chair. This committee has a number of members as detailed below.
- ⁸ Julian Place chaired the Professional Standards and Conduct Committee until December 2022. Kearsten James is the current chair. This committee has a number of members as detailed below.
- ⁹ Jade Tan chairs the Major Events Advisory Committee. This Committee was approved by the Board and commenced in April 2023. This committee has a number of members as detailed below.
- ¹⁰ William Johns chairs the Professional Designations Committee. This committee has a number of members as detailed below.

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

Policy & Regulations Committee

Angela Martyn CFP®, Katherine Hayes (Deputy Chair), Leanne Bull CFP®, Graham Cotter CFP®, Assyat David, Paul Garner CFP®, Tim Mackay CFP®, John McCormack CFP®, Shane Nicholas CFP®, Thabojan Rasiah CFP®, Peter Richards CFP®, Conrad Travers, Stephen Knight and Sam Perera

Professional Designations Committee

William Johns CFP®, John Green, Hari Maragos CFP®, Paul Moran CFP®, Cris Parker and Michael Perkins

Professional Standards & Conduct Committee

Kearsten James CFP®, James Cotis CFP®, Claire Mackay CFP®, Michael Miller CFP®, Dacian Moses CFP®, Mark O'Flynn CFP®, Lisa Papachristoforos AFP®, Dean Pinto, Evan Poole CFP®, Stephanie Shrinet, Cheyenne Walker and Thomas Cavanagh

Regional Chapter Committee

Julian Place CFP®, Mark Alexander CFP®, Naomi Alletson AFP®, Susie Erratt CFP®, Gary Jones AFP® FFAAA, Naomi Mee-Martino CFP® and Michael Smith AFP®

Major Events Advisory Committee

Jade Tan CFP®, Patricia Garcia CFP®, Julie Matheson CFP®, Hari Maragos CFP®, Sam Robinson, Jawad Ahmed, Morgan Hayward AFP®, Han Spendlove CFP®, James Farrelly and Tracey Edwards CFP®

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 Advice 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 Association 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 Association support and adhere to the principles of corporate governance. Further information is presented at the Association's internet site: [Governance - Financial Advice Association Australia \(faaa.au\)](https://www.faaa.au).

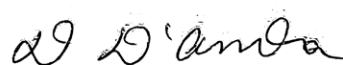
Rounding

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.



David Sharpe
Director



Diana D'Ambra
Director

Sydney
11 October 2023

AUDITOR'S INDEPENDENCE DECLARATION

LNP Audit + Assurance

ABN 65 155 188 837
L8 309 Kent Street Sydney NSW 2000
L24 570 Bourke Street Melbourne VIC 3000
L14 167 Eagle Street Brisbane QLD 4000
L28 140 St Georges Terrace Perth WA 6000
1300 551 266
www.lnpaudit.com

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FINANCIAL ADVICE ASSOCIATION OF AUSTRALIA LIMITED

As lead auditor of Financial Advice Association of Australia Limited for the year ended 30 June 2023, 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 11 October 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Revenue	2	10,862	7,255
Employee benefits expenses	3(c)	(5,113)	(4,619)
Depreciation and amortisation expenses	3(a)	(54)	(188)
Conference, event, program and education expenses		(2,231)	(593)
Property occupancy expenses	3(b)	(369)	(396)
Advertising and marketing expenses		(307)	(388)
Administration expenses		(483)	(473)
Other expenses	3(e)	(1,914)	(1,793)
Total expenses from operations		(10,471)	(8,450)
OPERATING SURPLUS/(DEFICIT) BEFORE INCOME TAX		391	(1,195)
Income tax benefit/(expense)	5	-	-
OPERATING SURPLUS AFTER TAX YEAR		391	(1,195)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		391	(1,195)

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
CURRENT ASSETS			
Cash and cash equivalents	15(a)	4,287	5,280
Trade and other receivables	6	910	123
Investments in financial assets	7	15,444	14,733
Other assets	8	599	545
TOTAL CURRENT ASSETS		21,240	20,681
NON-CURRENT ASSETS			
Plant and equipment		8	15
Intangible assets	10	51	98
Right-of-use assets	9	456	845
TOTAL NON-CURRENT ASSETS		515	958
TOTAL ASSETS		21,755	21,639
CURRENT LIABILITIES			
Trade and other payables	11	2,045	2,749
Provisions	12	419	312
Other liabilities	13	6,743	6,030
Lease liabilities	9	384	357
TOTAL CURRENT LIABILITIES		9,591	9,448
NON-CURRENT LIABILITIES			
Provisions	12	43	44
Lease liabilities	9	98	515
TOTAL NON-CURRENT LIABILITIES		141	559
TOTAL LIABILITIES		9,732	10,007
NET ASSETS		12,023	11,632
MEMBERS' FUNDS			
Retained earnings		12,023	11,632
TOTAL MEMBERS' FUNDS		12,023	11,632

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 2023

	Retained Earnings \$'000	Total Equity \$'000
AT 1 JULY 2021	12,827	12,827
Total comprehensive loss for the year	(1,195)	(1,195)
AT 30 JUNE 2022	11,632	11,632
Total comprehensive income for the year	391	391
AT 30 JUNE 2023	12,023	12,023

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 2023

	Note	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and non-members		10,117	7,979
Payments to suppliers and employees		(10,699)	(8,329)
Interest and distributions received		510	224
Interest on lease payments		20	(15)
Income tax paid		-	-
Net cash flows used in operating activities	15(b)	(52)	(141)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases - net		(551)	(1,157)
Purchase of plant and equipment		-	(13)
Purchase of intangible assets		-	(68)
Net cash flows used in investing activities		(551)	(1,238)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		(390)	(360)
Net cash flows used in financing activities		(390)	(360)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(993)	(1,739)
Cash and cash equivalents at beginning of period		5,280	7,019
Cash and cash equivalents at the end of the period	15(a)	4,287	5,280

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

The Financial Advice 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 2023 was authorised for issue in accordance with a resolution of the directors on 11 October 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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. Comparatives are consistent with prior years, 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 adopted all new and revised Accounting Standards and Interpretations that became effective for the financial year commencing 1 July 2022. The nature and effect of the changes as a result of adoption of the new accounting standards has not caused any material adjustments to the accounting policies or the reported financial position, performance or cash flows of the Association.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the statement of profit and loss..

(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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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
For the year ended 30 June 2023

2. REVENUE

	2023	2022
	\$'000	\$'000
Revenue	10,216	7,467
Income from investments	646	(212)
Total	10,862	7,255

(a) Revenue

Membership subscriptions	6,003	6,157
Practice fees	156	180
FAAA Commercial	43	36
Conferences and seminars	2,089	-
CFP program	228	284
Continuing education	684	650
Other revenue	1,013	160
Total revenue	10,216	7,467

(b) Income from investments

Change in fair value of investments	161	(423)
Interest - non-related persons/corporations	317	64
Distribution income net of management fee	168	146
Total income from investments	646	(212)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. EXPENSES

	2023	2022
	\$'000	\$'000
(a) Depreciation and amortisation expenses		
Plant and equipment	7	5
Intangible assets	47	183
Total depreciation and amortisation	54	188
(b) Property occupancy expenses		
Interest expense	(20)	15
Depreciation of right-of-use assets	389	381
Total lease expenses	369	396
(c) Employee benefits expenses		
Wages and salaries including on-costs	4,561	3,964
Workers' compensation costs	7	23
Superannuation costs	385	364
Staff training and recruitment	160	268
	5,113	4,619
(d) Strategic advertising		
<i>costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.</i>		
Marketing levies received	-	271
Marketing expenditure	-	(271)
Net strategic advertising	-	-
(e) Other expenses		
Total systems upgrade & customisation (ERP & CRM)	-	563
Association merger costs	718	-
Directors' fees	371	380
Computer expenses	594	423
Loss on disposal of assets	-	115
Other	231	312
	1,914	1,793

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

4. AUDITOR'S REMUNERATION

	2023 \$'000	2022 \$'000
Amount received, or due and receivable, by LNP Audit & Assurance for:		
An audit of the financial report of the Association	45	40
Total auditor's remuneration	45	40

5. INCOME TAX

	2023 \$'000	2022 \$'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:

Accounting (deficit) / surplus before tax from ordinary activities	391	(1,195)
At statutory income tax rate of 25% (2022: 26%)	98	(299)
Net income derived from members not assessable	(271)	(238)
Income not allowable for income tax purposes	-	-
Expenditure not allowable for income tax purposes	-	1
Increase in losses due to excess franking credit	(29)	(26)
Recognition of temporary differences	(67)	265
Taxable loss not recognised	269	297
Income tax (benefit) / expense attributable to operating surplus	-	-

Unrecognised deferred tax balances

At 30 June 2023, deferred tax assets have not been recognised on deductible timing differences totalling \$215,000 (2022: \$312,000) and on tax losses of \$3,914,653 (2022: \$2,836,915) 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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. TRADE AND OTHER RECEIVABLES

	2023 \$'000	2022 \$'000
Trade debtors (i)	772	82
Allowance for expected credit loss	(5)	(8)
	767	74
Accrued interest income (ii)	143	23
Other receivables (iii)	-	26
Total trade and other receivables	910	123

- 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. In the prior year, the balance relates to BAS refunds.

7. INVESTMENTS

	2023 \$'000	2022 \$'000
Term deposits held at amortised cost (i)	10,198	9,894
Financial assets at fair value through profit and loss (ii)	5,246	4,839
Total investments	15,444	14,733

- i. Relates to fixed rate term deposits with original maturity between 4-12 months. Includes term deposits that have been granted for security deposits of the Associations' leased premises for the amount of \$116,000.
- ii. Comprises investments in a portfolio of managed funds.

8. OTHER ASSETS

	2023 \$'000	2022 \$'000
Current		
Prepaid conference expenditure	235	228
Other prepayments	364	317
Total current other assets	599	545

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

9. LEASES

	2023	2022
	\$'000	\$'000
Right-of-use asset		
Balance at start of year	845	99
Additions	-	1,126
Amortisation during the year	(389)	(380)
Net carrying value at the end of the year	456	845

	2023	2022
	\$'000	\$'000
Lease liabilities		
Lease liability recognised start of year	872	107
Additions	-	1,125
Payments made during the year	(390)	(360)
Net carrying value at the end of the year	482	872

The lease liability and corresponding right-of-use asset relates to the Association's office premises. The lease is for a term of 3 years and began on 1 October 2021.

Current	384	357
Non-current	98	525
	482	872

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

10. INTANGIBLE ASSETS

Cost	Website Development \$'000	Computer Software \$'000	Total \$'000
Balance at July 2021	1,175	656	1,831
Additions	68	-	68
Disposals	(251)	(540)	(791)
Balance at 30 June 2022	992	116	1,108
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2023	992	116	1,108

Accumulated amortisation and impairment

Balance at 1 July 2021	(976)	(525)	(1,501)
Amortisation	(148)	(30)	(178)
Disposals	190	479	669
Balance at 30 June 2022	(934)	(76)	(1,010)
Amortisation	(43)	(4)	(47)
Disposals	-	-	-
Balance at 30 June 2023	(977)	(80)	(1,057)

Net book value

As at 30 June 2022	58	40	98
As at 30 June 2023	15	36	51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. TRADE AND OTHER PAYABLES

	2023	2022
	\$'000	\$'000
Trade creditors and accruals (i)	1,630	2,353
GST payable	415	396
	2,045	2,749

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 2022	15	250	92	357
Arising during the year	-	355	66	421
Utilised	-	(282)	(6)	(288)
Unused amount reversed	-	-	(28)	(28)
Balance as at 30 June 2023	15	323	124	462
Current 2023	15	323	81	419
Non-current 2023	-	-	43	43
	15	323	124	462
Current 2022	15	250	47	312
Non-current 2022	-	-	44	44
	15	250	91	356

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

13. OTHER LIABILITIES

Current	2023 \$'000	2022 \$'000
<i>Deferred income:</i>		
Conference income	847	1,221
Education fees	24	18
Membership subscriptions	4,506	3,535
Marketing levies	1,045	1,090
Chapter income	30	96
Sponsorship	15	25
Commercial	5	-
Continuing education	60	45
Unallocated payments	211	-
Total deferred income	6,743	6,030

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 (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

15. CASH AND CASH EQUIVALENTS

(a) Reconciliation to Statement of Cash Flows

Cash and cash equivalents comprise the following at 30 June:

	2023	2022
	\$'000	\$'000
Cash at bank and on hand	4,259	5,159
Cash as part of investment portfolio	28	121
	4,287	5,280

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

	2023	2022
	\$'000	\$'000
Operating surplus/(deficit) after income tax	391	(1,195)
Non-cash items		
Depreciation and amortisation	445	685
Change in fair value of financial assets	(161)	423
Change in operating assets and liabilities		
(Decrease)/increase in trade and other receivables	(788)	1,410
(Decrease)/increase in other assets	(53)	13
(Decrease)/increase in trade and other payables	(705)	53
Increase/(decrease) in current provisions	154	(233)
Increase/(decrease) in other current liabilities	714	(1,158)
(Decrease)/increase in non-current provisions	(49)	(139)
Net cash flows used in operating activities	(52)	(141)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. RELATED PARTY DISCLOSURES

Related parties include the directors who are the key management personnel, close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Compensation of Directors and Key Management Personnel (KMP)

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

	KMP	
	2023	2022
	\$'000	\$'000
Total	1,570	1,546

KMP costs of \$1.570 million include payments of \$375,000 (2022: \$452,000) to the Chief Executive officer of the Association.

(b) Other related parties

Future2 is no longer a related party of FAAA effective from 1 October 2022. The following are transactions with Future2 during the year up until 30 September 2022:

	2023	2022
	\$'000	\$'000
Administration income from Future2	15	60
Sponsorship to Future2	-	10

Future2 is the philanthropic arm of the Association with a vision of empowering the lives of disadvantaged young people through a community program, combining creative and personal mentoring.

Other than those disclosed above 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. 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 2023, the Association has 8,000 voting members and therefore, the members will be liable to a maximum of \$800,000. This would apply to members who have ceased to be a member within one year.

18. 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 Finance, Risk and Audit 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:

	2023	2022
	\$'000	\$'000
Financial assets (affected by interest rate)		
Cash and cash equivalents (Note 15(a))	4,287	5,280
Term deposits (Note 7)	10,198	9,894
	14,485	15,174

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

At 30 June 2023, 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)	
	2023 \$'000	2022 \$'000
Judgements of reasonably possible movements:		
+1% (100 basis points)	45	53
+0.5% (50 basis points)	23	26
-0.5% (50 basis points)	(23)	(26)
-1% (100 basis points)	(45)	(53)

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 \$5,246,000 (2022: \$4,839,000) 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)	
	2023 \$'000	2022 \$'000
Judgements of reasonably possible movements:		
+10% increase	525	484
-10% decrease	(525)	(484)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 its 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
2023				
Trade and other payables	-	2,014	30	2,044
Total	-	2,014	30	2,044
2022				
Trade and other payables	-	2,749	-	2,749
Total	-	2,749	-	2,729

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

A Cash balance of \$4,287,000 (Note 15(a)) is available to pay the short-term financial liabilities in relation to trade and other payables due within 3 months.

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:

- Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities;
- 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
- 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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
As at 30 June 2023				
Financial assets (Note 7)				
Financial assets at fair value through profit and loss				
- Listed shares	1,560	-	-	1,560
- Unlisted registered managed funds	-	3,686	-	3,686
	1,560	3,686	-	5,246

As at 30 June 2022				
Financial assets (Note 7)				
Financial assets at fair value through profit and loss				
- Listed shares	1,496	-	-	1,496
- Unlisted registered managed funds	-	3,343	-	3,343
	1,496	3,343	-	4,839

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.

19. EVENTS AFTER THE REPORTING DATE

Following the transfer of the AFA members to the Association on 1 July 2023, the AFA Investment Fund (AFAIF) distributed the majority of its assets to the Association on 6 July 2023.

On 11 July 2023, AFA members, at an Extraordinary General Meeting, passed a resolution to appoint Hayes Advisory, as liquidator for the windup of the AFA.

The AFAIF Trustee and AFA Liquidator expect to finalise the respective wind ups in the October – December 2023 quarter following ordinary procedural activities, including final asset transfers.

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

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2023

In accordance with a resolution of the directors of the Financial Advice 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 2023 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



David Sharpe
Director



Diana D'Ambra
Director

Sydney
11 October 2023

LNP Audit + Assurance

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Financial Advice Association of Australia Limited (the Association), which comprises the statement of financial position as at 30 June 2023, 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 Advice 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 2023 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 2023, 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.

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

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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

11 October 2023



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