

FAAA Strategy

2024-2030

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Letter from the Chair

In conjunction with our Members, the FAAA board has developed a new set of strategies for the Financial Advice Association of Australia, reflecting the coming together of our two heritage associations, the Association of Financial Advisers (AFA) and the Financial Planning Association (FPA).

Both organisations had quite similar strategies prior to the merger. For the FPA, the strategy was grouped into three main headings, summarised as “MAC” – “Member, Advocacy, Consumer”. The AFA used a similar grouping, summarising its strategies under “MAP” – “Member, Advocacy, Profession”.

While these strategy platforms were referenced frequently during the strategic review, we did not limit our approach to simply bringing the two heritage platforms together. The environment in which we operate is rapidly changing, and professional financial planners are being challenged more than ever before. The rapid pace and uncertainty surrounding regulatory change, rising costs, falling numbers of professional financial planners and improving public perceptions of our profession are all significant trends that we aim to address.

While developing this strategy, an important consideration has been to ensure that our strategies support the objects of the FAAA as outlined in our Constitution:

- (a) represent the interests of our Members, in their relations with governments, regulators, the community, other professional associations and other stakeholders;
- (b) act in the public interest so that clients of Members and prospective clients obtain fair and competent financial advice and to suppress Malpractice;
- (c) enhance public awareness of, and confidence in, the Profession;
- (d) promote and monitor compliance with high standards of professional and ethical conduct within the Profession and by Members;
- (e) provide access to the CFP® designation as the peak designation for the Profession;
- (f) facilitate continuing professional development and other professional designation programs for the Profession;
- (g) to provide forums of various types for the discussion of financial advice, best practice, professional affairs, interests and duties;
- (h) support and encourage communities, chapters and groups within the membership of the Association;
- (i) facilitate grassroots engagement with and between Members to foster a sense of community and common purpose within the Association; and

(j) provide various services relevant to the Members or the Profession as the Directors determine from time to time.

We are proud to represent our Members – the professional financial advisers who dedicate themselves to improving the financial wellbeing of clients. I thank the many Members who have been involved in consultation on our strategies to ensure that your FAAA reflects your goals and priorities for the profession.

A handwritten signature in black ink that reads "David Sharpe". The signature is written in a cursive, flowing style.

David Sharpe CFP®
Chair, FAAA

FAAA's Vision

Our vision statement declares our meaning and purpose as an organisation and explains how the world will be a better place when we are successful.

“Great advice to help more Australians build a better financial future.”

FAAA's Mission

Our mission statement outlines how we intend to achieve our vision.

“We support our Members to help Australians achieve a better financial future by:

- helping our Members to build successful, sustainable professional careers and businesses,
- advocating for increased access to professional financial advice and appropriate policy settings for the profession, and
- speaking out on issues that affect our Members and their clients.”

FAAA's Strategic Priorities

Our new strategic priorities will guide the FAAA over the next six years, until 2030.

<p>1. Members first</p> <p>As a member-based association, we prioritise Members' interests and those of the communities they serve in all the activities of the association. We support our Members in their professional growth and business success.</p>	<p>2. Grow the profession</p> <p>We must substantially grow the numbers of professional financial advisers, to enable more Australians to have access to high-quality professional financial advice.</p>	<p>3. Lead the profession</p> <p>Be a bold, trusted and influential voice for the profession.</p>
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Abbreviation – "MGL" for Members, Growth, Leadership.

1. Members first

As a member-based association, we prioritise Members' interests and those of the communities they serve in all the activities of the association. We support our Members in their professional growth and business success.

1.1 Connect Members with valuable, high-quality networking opportunities and communities at all stages of their careers

The FAAA has membership options and events to suit all career stages, from student to retiree.

Our initiatives include our annual Congress and Roadshow events, chapter events to bring together local Members, and our GenNext and Inspire communities, supporting specifically new and prospective Members, and female Members.

Including as part of our Professional Practice program, additional networking opportunities for advice practice leaders will be focused on key business priorities such as HR, succession planning, mergers & acquisitions, outsourcing, digital marketing, IT and cybersecurity.

Another area of increased focus will include opportunities to network with allied professionals such as accountants, lawyers and mortgage brokers.

1.2 Provide support to Members navigating digitalisation and new technologies

"Digital first" is a clear focus in supporting our Members in achieving efficiencies and improved client service, along with improved cybersecurity.

Two key initiatives for FY25, investigating an AML/CTF solution and standardised advice fee consent, will have a digital-first approach (see also item 1.4).

We also prioritise technology in our CPD and events, such as the practical artificial intelligence sessions at Roadshow 2024, and the highly popular technology "Mic Drop" sessions at Congress.

1.3 Provide Members with high quality, relevant and easy to access education to support their professional and career goals, and establish new education pathways including micro-credentialling, designations and partnerships for specialised content

Our goal is for the FAAA Learn hub to be Members' single access point for the best quality CPD available in our profession, across all regulated areas of content. Our library is expanding rapidly, and in FY25 we are in talks with external parties to provide content to

our Members in specialised areas such as tax, expatriate advice issues, behavioural finance etc.

By the end of FY25, our goal is for all Members to be able to achieve their full CPD requirements, for free, from our new Learning Management System (FAAA Learn). We will also develop capabilities for members to share CPD information with their employer and/or licensee.

We will continue and expand our support for specialised credentials such as in Aged Care and other in-demand specialities based on our Members' priorities.

Once the "Delivering Better Financial Outcomes" legislation is released, we will be introducing a specialist community for paraplanners which supports any changes in this role that may result from legislation.

1.4 Remove obstacles and facilitate innovative solutions to support successful, sustainable careers and businesses

More and more, our Members are looking to us to support them not only in the practice of advice, but also in the business of advice. Recent years have seen the exit of institutions from financial advice and a continued trend for advisers to work in smaller businesses and licensees. This has meant that advisers now often have less access to economies of scale and opportunities to drive efficiencies in their businesses. Favourable pricing arrangements and bulk discounts that used to be easily available are starting to be withdrawn or re-negotiated by some suppliers.

The FAAA can play a role in providing solutions for advice practices that require large upfront investments or significant numbers of users to be viable. It is not our intent to compete in areas where such solutions already exist and are available to our Members – we see an opportunity to solve problems for our Members that the market is not currently structured to solve.

Initiatives in FY25 include exploring a digital AML/CTF solution for Members and supporting a digital solution for standardised advice fee consent. Ultimately our goal is to create a platform for shared data standards and aggregation across the entire financial sector.

1.5 Promote CFP® as the leading designation for financial advisers and planners

The CFP designation is recognised as the standard of excellence for financial planners around the world, and the FAAA is the only organisation in Australia licensed to offer it.

In FY25, we are embarking on a major upgrade to the designation itself and the support we offer for our existing CFP professional Members. The content of preparatory courses

will be upgraded and offered online as self-paced learning to support the busy lives of financial planners studying towards the designation. We are adding a new senior role to specifically support our CFP community and subsidising the popular CFP Professionals Connect education series to reduce costs to CFP professional Members.

In FY25 we are also launching an advertising campaign to support recognition of the CFP designation amongst potential referrers – starting with accountants who also hold a designation.

2. Grow the profession

We must substantially grow the numbers of professional financial advisers, to enable more Australians to have access to high-quality professional financial advice.

2.1 Promote entry and career pathways to new and returning financial advisers, including promoting the profession as a career-change option

There is a long lead time to train a financial planner, and we must act now if we are to have a substantial positive impact on planner numbers by 2030.

Our major initiative in FY25 is an advertising campaign that will specifically target potential career changers, promoting the benefits of a career in financial advice.

We are advocating for the education standards for new entrants to be made more flexible, including greater recognition of relevant study and experience both in the qualifications required and in the professional year – particularly relevant to career changers.

We continue to support Career and University Expos and run a complimentary membership program for students studying courses that could lead to a financial advice career.

Our Emerging Professional Committee actively supports both students and new entrants, ensuring they find a supportive community in financial advice. This work is complemented by the broader “GenNext” community, which focuses on the early career stage for Members (as well as new technologies).

Our new Career Centre is a dedicated resource that benefits employees, job seekers and career changers in the financial advice profession. It includes the ability to advertise and apply for roles, a career portal, and access to coaching.

2.2 Build the pipeline for financial planning in education and the Professional Year

One of our biggest challenges as a profession is to increase the number of new entrants – these were down to a low of 317 in the 2023 calendar year.

A major initiative in FY25 in this space is to launch “Advice Academy” – an initiative with the goal of improving the number of new entrants to the profession, as well as the support provided to new entrants and their supervisors during the Professional Year.

We also work closely with universities to support the numbers undertaking financial planning studies and to ensure the content of courses is relevant and up-to-date, via our Financial Planning Education Council (FPEC).

2.3 Attract new members from existing, new and returning advisers with compelling Member value propositions

Our goal is to be the association of choice for professional financial advisers in Australia. Leveraging our regular Member satisfaction surveys, we regularly review and improve our value proposition to ensure we are delivering on what is important to financial advisers today.

We periodically run campaigns to invite advisers who are not members to apply to reinstate or join the FAAA.

We continue to provide support to people considering a return to advice as they navigate the new “Experienced” pathway legislation.

We also have a specific focus on supporting new advisers, with a complimentary membership offer to students, and a regular campaign reaching out to new provisional advisers to invite them to join the FAAA in discounted membership categories specific to their career stage.

3. Lead the profession

Be a bold, trusted and influential voice for the profession

3.1 Move our profession to a co-regulation model

Five years on from the delivery of the Hayne Royal Commission final report, financial advice has become a profession in every sense of the word.

However, our regulatory structures remain stuck in a time before professionalisation occurred.

We believe now is the time for the regulatory model to catch up, so that the financial advice profession ultimately controls its own education standards and training, code of ethics, and disciplinary regime. This is consistent with the way other professions are regulated.

We anticipate this will be a long-term process, and we are initially aiming for organisations such as Treasury's Financial Adviser Standards team, and ASIC's Financial Services and Credit Panel, to be required to explicitly engage with and include members of the profession in their decision-making and governance. This would replace rather than duplicate current regulation.

This goal also encompasses the FAAA conduct and disciplinary regime. Our Members expect us to ensure that FAAA membership is a mark of quality, and our processes to effectively identify and sanction poor behaviour are critical in enabling a move to a co-regulatory regime. In FY25 we will look to expand how we can be proactive in identifying possible concerns and act swiftly to ensure any issues are identified quickly to minimise consumer harm.

3.2 Focus our advocacy platform on a limited number of strong messages which are supported by a majority of Members

Our [policy platform](#) went through a comprehensive Member-driven review in FY24, to ensure we are focusing on the key areas that matter to our Members, and that we are taking positions that are supported by Members. Three key themes are driving our advocacy efforts through to 2030:

1. Improved ease of servicing clients with accessible advice.
2. Continued professionalisation of financial advice.
3. Ongoing enhancement of the profession and advice practices through the use of technology and innovation.

Our policy platform is separate to but aligned with our strategic goals – in many cases, advocacy is an important way by which we will achieve our strategic goals.

In FY25 this area will continue to be a key focus for the FAAA. Not only are we focusing on advancing the goals that are important to our Members, but we must also respond to multiple external forces which will include a Federal Election, the final legislation from the Quality of Advice review, and other challenges as these arise.

We are increasing our policy and advocacy resources in FY25 with the addition of a new senior role, and continuing to work with our Policy and Regulations Committee to ensure our advocacy is targeted, effective and aligned with Members' goals and priorities.

3.3 Work with aligned bodies on shared goals

To support the effectiveness of our advocacy efforts, we have had many successes in working with other, often larger and better-resourced organisations that share our goals. We remain vigilant to ensure that these organisations do not influence our policy positions, which are and must remain driven by our individual financial planner Members.

We have a formal relationship with 11 other associations whose members either are, or employ, professional financial advisers, called the Joint Association Working Group (JAWG). We have collectively achieved many successes including needed change to the DBFO legislation, and support (via the sub-set National Tax Liaison Group) for the ATO's review of the tax deductibility of financial advice. In FY25 we continue to work together on areas of consensus in the Tranche 2 DBFO legislation, fixing the CSLR funding model, changes to superannuation and others.

We are also building relationships with consumer and superannuation representative groups who are increasingly recognising the important role financial advisers play in improving their clients' financial wellbeing.

3.4 Position Australia and the FAAA as global leaders in financial advice education and standards

Australia's financial advice profession is unique in the world and is generally considered the most advanced in terms of our ethical and education standards, and the high quality of our financial advisers.

Through our global partnership with the Financial Planning Standards Board, we are pursuing opportunities to export CPD where it has global application and to build partnerships with the 26 other FPSB territories in areas such as expatriate credentials and global recognition of the CFP mark. Australian financial advisers have the ability to practise anywhere in the world as respected professionals – although of course we do not wish to lose any of our much-needed planners to other jurisdictions!

This high-quality positioning also makes us an attractive destination for financial planners in other territories. While the barriers to practising in Australia remain high, we have started work with other territories that have strong local connections (such as New Zealand, India, Malaysia, the Philippines, South Africa, the UK, Canada and the US) to explore opportunities to work more closely together. These include opportunities for local students to study Australian qualifications from their home country, with support to emigrate and complete a professional year in Australia.

3.5 Set-up the organisation for long-term sustainability with diversified revenue opportunities and potential expansion of membership categories

The number of professional financial planners is continuing to decline, and while we are working on a range of initiatives to help turn this around, a meaningful change in numbers will take some time to come to fruition.

In the meantime, we are exploring opportunities to diversify our sources of revenue beyond membership, by supporting Members in new ways.

Future initiatives could include opportunities for the FAAA to act as an 'aggregator' for the financial advice profession – commissioning enterprise-grade products that are usually only available to large institutions and providing them to Members at a competitive price, such as AML/CTF solutions. If we are successful with such initiatives, this is a way we could help overcome the disadvantages of the fragmentation of our profession. This trend, which started in the wake of the Hayne Royal Commission, has shown no signs of slowing down. Currently 92% of financial advisers operate in businesses with 5 advisers or less. Licensees are also fragmenting, with the last institution (AMP) announcing its exit from advice in July 2024. Most new licensees are small or micro (single) adviser practices, and we see a role for the FAAA in focusing on those areas that are not commercially attractive to licensees or providers of services supporting self-licensed businesses, or which have high barriers to commercial success. In this way we can potentially solve problems for our Members that other providers cannot.

A matter under debate at time of writing is whether the FAAA would welcome the "new class of adviser" to be proposed in the DBFO Tranche 2 legislation, as affiliate Members of the organisation. Once this legislation is finalised, we will consult with Members on this matter and put the issue to a vote.

3.6 Engage with consumers to effectively represent the benefits of seeking professional financial advice, address emerging issues for consumers' financial wellbeing, and ensure they can connect with a great financial planner who meets their needs

The trust consumers have in financial advisers and planners is increasing; however, many are still unable to find a financial planner to meet their needs.

A number of initiatives have been deployed or are underway, including the relaunch of our "Money & Life" consumer-focused brand.

We have also relaunched our "Find a Planner" site to make it easier for consumers to find their ideal planner and will shortly be launching a major new campaign targeting relevant consumers to explain the value of professional financial advice, and where to find it, including the value of choosing a Member of the FAAA.