

2013 ANNUAL REPORT

WORKING
TOGETHER



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

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OUR FUTURE
as a universally respected
PROFESSION
WILL BE BUILT ON A
VERY SIMPLE & REAL IDEA:
HELPING OUR MEMBERS
change clients' lives for
THE BETTER.

CHAIR'S REPORT

In 2013, FPA's efforts were, as always, directed at members, regulators, government and the community. I am pleased to report that we made a significant difference in each area.

Written on the reception wall of the FPA Sydney headquarters are these simple words: "Helping our members change clients' lives for the better."

Of all the changes that your FPA has navigated successfully in the past financial year, it is our unwavering focus on this key proposition that has most impacted our current position of strength.

It drives our collective energy on your behalf, helps us make sound policy decisions and also helps your Board and executive team to differentiate between what is important and what is not.

I believe the impetus to uphold financial planning as a worthy, universally respected profession began with this simple idea of changing people's lives for the better.

A number of theories assert that a movement begins with an idea and then grows through the uptake by "leader followers". It takes significant courage to be a "leader follower" – there is risk of public criticism by opponents of change, potential rejection by unconvinced peers and the threat of financial interruption by those with vested interests.

I wish to take this opportunity to thank those "leader followers" who joined with us early in our movement, who showed courage and conviction to stand with us and who spoke publicly in support of the FPA when we were actively criticised.

FINANCIAL

- The FPA generated a record surplus of \$1,413,047 on the back of prudent expense management and a record increase in membership across all categories. This surplus will be used to:
 - Replenish reserves drawn upon in 2011 when the FPA was restructured and principal membership removed.
 - Invest in a new information system platform to enable significant improvement in member communications, knowledge sharing and member engagement.
- Sustainability is built on membership revenue exceeding operating costs and funding investment without the need for sponsorship or event revenue. The FPA is no longer reliant on sponsorship monies or an annual conference to meet its operating or funding requirements.
- Net assets increased to \$7,339,794.

“

WE ARE BUILDING ON THE NOTION OF
BEING A PART OF SOMETHING MORE THAN
OUR INDIVIDUAL SELF, OF BECOMING A
PROFESSIONAL COMMUNITY.

”



CHAIR'S REPORT

Continued

Over the past financial year our collective efforts were directed at members, regulators, government and the community.

For members, we developed a whole range of initiatives to support them at a national and grass roots level. A large area of focus was on the FoFA reforms and we developed tools and resources to support our members and help them prepare for the new laws. Our membership base has grown since last year and we have streamlined and simplified our membership categories and value proposition, making it easier to facilitate communication and deliver value to our members.

In terms of regulators, the FPA has consolidated its relationship with ASIC and the Financial Services Ombudsman (FOS) and has continued to work closely with each of them to help our members provide the best possible outcomes for their clients and businesses.

For government, both sides of politics have publicly recognised the influential role played by the FPA. The FPA's credibility in this area meant that we were successful in negotiating for our members a 12-month extension on the commencement of the Tax Agent Services regime for financial planners. The passing by the House of Representatives of the Bill to restrict the use of the terms 'financial planner' and 'financial adviser' by law was also a huge win for our team.

For consumers, we have worked extensively on resources to help our members better engage with them. To gain more consumer awareness we have continued to heavily promote the high standards of FPA members and the need for professional financial advice.

The FPA team is passionate and truly dedicated to serving our members. They are the unsung heroes of the FPA and an innovative and collaborative culture runs all through the team.

As we continue on our journey towards professionalism, we are building on the notion of being a part of something more than our individual self, of becoming a professional community. A community that shares best practice ideas, acts as a support network, has a strong pro-bono and community focus, has an implied trust in professional colleagues, mentors new entrants and is seen by Australians as a universally respected profession.

I believe the writing is on the wall: our collective future is based on fundamentally changing our clients' lives for the better, upheld by our passion and commitment to effect positive change in our professional community.



Matthew Rowe CFP®
Chair

Financial Planning Association of Australia

ONE *fine* SUNDAY
AT A BARBECUE
SOMEWHERE IN MY NEIGHBOURHOOD
SOMEONE WILL ASK
WHAT DO YOU DO?
& I WILL ANSWER
I AM A FINANCIAL
PLANNER
AND EVERYONE'S FACE WILL LIGHT UP
WITH A SMILE.

That's our vision. That's what we commit to: as a professional body representing financial planners, we'll do everything we possibly can to make the above statement ring true.

Visit FPA.com.au



FINANCIAL PLANNING
ASSOCIATION of AUSTRALIA

HALL OF FAME

The leadership of our past Presidents, Chairs and prominent members has been the foundation upon which the FPA has been built and the FPA must acknowledge the effort made by these leaders in our profession.

FPA CHAIRS

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

FPA PRESIDENTS

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

FPA CEOs

Mark Rantall CFP®	2009 – present
Jo-Anne Bloch	2006 – 2009
Kerrie Kelly	2004 – 2006
Ken Breakspear	2000 – 2003
Michael McKenna	1998 – 1999
David Butcher	1996 – 1997
Jock Rankin	1994 – 1995
Martin Kerr	1992 – 1994

FPA LIFE MEMBERS

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

FPA FELLOWS

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

**DISTINGUISHED
SERVICE AWARDS**

2012

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

2011

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

2010

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

2009

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

2008

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

2007

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

2006

Ian Chester-Master CFP®

2005

Louise Biti CFP®
Gwen Fletcher
Kim Harris CFP®
Geoff Morris CFP®
Peter Roan CFP®

2004

Chris Dummer
Deborah Kent CFP®
Bill Kouvas

2003

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

2002

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

2001

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

2000

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

1999

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

CEO'S REPORT

I am proud to lead an FPA that is now widely recognised as the pre-eminent professional association for financial planners in Australia. We have done this during a period of great change, always with an eye to our profession's future.

2012/13 was the final year of a three year strategy and I am very pleased with the achievements we have made in conjunction with the FPA community.

PROFESSIONALISM AND CONSUMER TRUST

I am confident that we are well on the way to transforming financial planning into a universally respected profession. We enjoy the support of a great majority of our members who joined us on this journey. Our members share a vision – long advocated for by the FPA – that the profession of financial planning plays a significant role in the welfare of all Australians.

As a professional association we determine policy and standards that protect the interests of the Australian community. It is this resolve, together with a globally recognised Code of Professional Practice and Ethics and the respected CERTIFIED FINANCIAL PLANNER® designation, that distinguishes us as a professional association from an industry association.

A key focus of our activity this year has been building consumer trust and encouraging the take up of advice. There are a number of initiatives we have been working on to build trust with consumers, including promoting the CERTIFIED FINANCIAL PLANNER® designation with consumers; launching a national university curriculum framework; and enhancing and evolving our Code of Professional Practice and Ethics. Our highly visible consumer engagement campaign, Financial Planning Week, helped to raise awareness of the benefits of quality financial planning.

ADVOCACY TO GOVERNMENT

During the last financial year we have intensively lobbied government on a number of issues, particularly to have the term 'financial planner' enshrined in law and an extension to the Tax Agent Services Act legislation (TASA). We know how important this is to members as many of you have told us what it means to achieve the public trust and recognition that the financial planning profession deserves. Whilst the 'enshrinement' legislation was passed in Parliament by the House of Representatives, unprecedented political events which led to a change of Prime Minister in June 2013 meant the Bill was not tabled in the Senate. The FPA has been advocating for enshrinement for over a decade, and we will continue to lobby with the new government for as long as it takes. In addition, we undertake to ensure that the term CERTIFIED FINANCIAL PLANNER® professional is seen by consumers as a trust mark for professional financial advice. Research recently conducted by the FPA showed that 66% of consumers don't know who they can turn to for trusted advice. Of those consumers 94% said they would rather turn to a CERTIFIED FINANCIAL PLANNER® professional. We intend to promote to Australians that they can turn to our members as people they can trust for advice.

A tangible proof point of other advocacy efforts is our recognition by the Tax Practitioners Board as a registered professional association. This is critically important as the Tax Agent Service Act (TASA) was passed by the Senate, accepting our position for a 12-month extension for implementation.

“

OUR MEMBERS SHARE A VISION – LONG ADVOCATED FOR BY THE FPA – THAT THE PROFESSION OF FINANCIAL PLANNING PLAYS A SIGNIFICANT ROLE IN THE WELFARE OF ALL AUSTRALIANS.

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CEO'S REPORT

Continued

EDUCATION

As a community of professionals, our responsibility also extends to the next generation. In November 2012, we worked with the Financial Planning Education Council to develop and launch a national degree curriculum for financial planning with 17 universities. This demonstrates that financial planning is a viable career for the next generation and will put financial planning in the mindset of Australians looking to improve their financial futures. This is a model that builds trust and confidence in the profession of financial planning.

It has been a great year for education as participation in the CERTIFIED FINANCIAL PLANNER® designation has continued to steadily increase. We also saw significant growth in members with the AEPS® Accredited Estate Planning Strategist designation and the LRS® Life Risk Specialist designation.

A PROFESSIONAL CODE FOR ALL MEMBERS

We updated our Code of Professional Practice following extensive consultation with the FPA community and a range of stakeholders, such as Government, Treasury, regulators and many more. The updated Code addresses the FoFA reforms and provides clarity to our members to meet their professional expectations in the post-FoFA environment. This is a Code for all FPA members, and our members' commitment to the Code is what sets them apart from other financial planners. The Code will also build trust with consumers – if they seek financial advice from an FPA member they can have the full confidence that they are dealing with professionals operating under a robust code of conduct and professional standards.

REGULATORY CHANGE

2012/13 was certainly a challenging year. We saw unprecedented levels of regulatory change, with the FoFA reforms leaving many financial planners unsure of how to meet their new obligations. As part of our commitment to support and protect our members, we developed 'Bulletproof Financial Planning', an education toolkit and a series of roadshows where our team talked to every FPA Chapter about how to ease their transition to FoFA. This was well received by members and I believe that those who followed FoFA guidance are in good shape to comply with their obligations.

A COLLECTIVE EFFORT BY THE PROFESSIONAL COMMUNITY

I would like to take the time to express my sincere thanks to our members for all their backing and encouragement throughout the past year. Our members' great enthusiasm was demonstrated by the fact that so many of you supported your local chapter and many other FPA events and activities.

I look forward to working with you on our new three year strategy as we continue to deliver on our promises.



Mark Rantall CFP®, CPA
CEO

Financial Planning Association of Australia

THE FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA'S
THREE YEAR STRATEGY

OUR THREE YEAR JOURNEY
OF TRANSFORMATION
IS NOW INTO ITS
FINAL YEAR.
ONCE WE COMPLETE IT,
new GOALS AND *new*
CHALLENGES
BECKON. WE ARE WELL
POSITIONED TO MEET THEM.

THREE YEAR STRATEGY

Over two years ago in April 2011, we mapped out our goals and strategies for the next three years. Our progress so far has exceeded even our own expectations – we can all be proud of our achievements in the last financial year.

PROFESSIONAL RECOGNITION

GOAL	STRATEGY
Raise community standing of members.	▶ Ensure consumers seek out an FPA professional.
Inspire trust and confidence in the community.	▶ Zero banning of members by ASIC.
Engage stakeholders in advertising FPA higher standards.	▶ Generate sufficient advertising financial support.
FPA established as financial planning trust mark.	▶ Deliver an integrated communications and brand strategy.

MEMBER FOCUS

GOAL	STRATEGY
Build a professional community and professional solidarity.	▶ Evaluate every engagement point with members.
Ensure a relevant and engaged Committee structure.	▶ Align and engage Committee structure to new FPA.
Engage member communities at a local practice level.	▶ Sign up 1,000 Professional Practices.
Engage members in their professional community.	▶ Review and measure Chapter performance.

PROFESSIONAL LEADERSHIP

GOAL	STRATEGY
Ensure Financial Planner AFP® members are obtaining CFP® certification.	▶ Target eligible AFP®s to ensure 90% are studying for the CFP® designation.
Ensure CFP® designation and experience are world class.	▶ Benchmark CFP® designation against global certification standards within top quartile.
Ensure CPD education is of the highest standard.	▶ Minimum 80% satisfaction rating for CPD and conference sessions.
Members have knowledge of our professional framework.	▶ All members to read Code and undertake ethics training. Review audit procedures.

PEOPLE

GOAL	STRATEGY
Create a commercial performance culture.	▶ Review and implement job specifications, appraisals and development plans.
Become employer of choice for industry and profession.	▶ Align FPA values with employee values. Target 80% engagement score.
Ensure team become dynamic engaging leaders.	▶ All team members take ownership of member engagement.
Align organisation structure to the new FPA.	▶ Implement a new organisation structure aligned to a professional association and remove silos.

FINANCIAL

GOAL	STRATEGY
Build a financially sustainable organisation.	▶ Maximise member and non-member income.
Improve operational efficiency.	▶ Cost effective and reliable systems and database.
Member fees to cover operating costs.	▶ Increase practitioner members to 10,000.
Implement prudent cost control measures.	▶ Limit cost to expense ratio to 90% of revenue.

PROFESSIONAL RECOGNITION
ADVANCING THE
CAUSE



THREE YEAR STRATEGY

PROGRESS AS AT JULY 2013

GOAL

STRATEGY

Raise community standing of members.

Ensure consumers seek out an FPA professional.

Inspire trust and confidence in the community.

Zero banning of members by ASIC.

Engage stakeholders in advertising FPA higher standards.

Generate sufficient advertising financial support.

FPA established as financial planning trust mark.

Deliver an integrated communications and brand strategy.

PROFESSIONAL RECOGNITION

The FPA is now widely recognised as the professional association that leads the way in transforming financial planning into a universally respected profession.

In the past year, the FPA's professional recognition activity focused on the following key areas:

- recognition from government and other stakeholders
- continuing our national advertising campaign telling Australians about the high standards of FPA members
- Financial Planning Week
- media coverage
- promoting the value of the CFP® designation
- Best Practice and Honorary Awards.

RECOGNITION FROM GOVERNMENT AND OTHER STAKEHOLDERS

The FPA's focus over the past year was on the FoFA reforms, the application of the Tax Agent Services regime to financial planners, and the enshrinement in law of the term 'financial planner'.

The FPA was successful in delivering and negotiating improved outcomes for members in relation to these changes, including:

- successfully delivering and implementing the FoFA 'Bulletproof Financial Planning' program including road shows for our 32 local Chapters. For details of Bulletproof Financial Planning go to page 31.
- a twelve-month extension on the commencement of the Tax Agent Services regime for financial planners.
- the passing by the House of Representatives of the Bill to restrict the use of the terms financial planner and financial adviser. (Note: due to the change in leadership of the Government, the Bill did not make it to the Senate and therefore was not passed as legislation.)

CONSUMER ADVERTISING

Thanks to the support of members, the FPA invested in its second national consumer advertising campaign. This campaign is funded by members for members.

The goals of the campaign were to:

- drive consumer awareness of financial planning as a trusted profession and the difference our members make to people's lives every day
- raise consumer awareness of CFP® professionals
- provide a trusted and credible brand that consumers can turn to for direction
- generate referral for FPA member partners
- increase traffic to the FPA website and the 'Find a Planner' function, increasing client referrals to FPA members.

The campaign was constantly revised and changed throughout the financial year according to strict analysis and reporting to ensure members receive optimum value.

The communication objectives of the campaign were to:

- position the FPA as Australia's leading community of professional financial planners
- establish the FPA as standing for best practice in financial planning
- differentiate FPA members through higher standards and drawing analogies with other professions.

The 'FPA difference' consumer advertising campaign ran from July 2012 to June 2013.

The campaign was a multi-media strategy over the entire year, split across pay TV, print advertising, online display and Google search advertising, targeting consumers aged 40 to 64 with \$150,000 investible assets.

Results included:

- consumer tracking research conducted in September 2012 by Australia Online Research showed that awareness of FPA members increased by 24% after the campaign
- consumer awareness of CFP® professionals also increased by up to 24% and the perception of CFP professionals as the highest qualified financial planners increased by up to 17%
- core messages from the advertising were accurately recalled by up to 85% of our audience ('FPA members work to higher standards' and 'Not all financial planners are the same')
- the more often the advertisements were seen, the more FPA members were perceived as qualified, professional, trustworthy, educated, ethical and responsible
- positive impressions of the financial planning profession increased by 31%, creating a halo effect for the broader industry
- TV advertising reached 1,104,000 people aged 35 to 64. This equates to approximately 37% of our target audience being impacted with the FPA message. On average, viewers saw the commercial 15.5 times

- three digital advertising campaigns generated over 22,000 online click-throughs to the FPA website, achieving over 10,000 completed Find-A-Planner searches
- print advertising appeared a total of 137 times: (refer to Table 1 on the following page)
 - 14 times in national publications
 - three times in state-based newspapers
 - four times in most regional newspapers
- print advertising enabled us to reach 60% of the target audience, equal to nearly 450,000 people at a frequency of over 3 times
- paid search advertising has generated over 89,000 clicks-throughs to the FPA website with over 17,000 visits to Find-A-Planner.

“ THE FPA'S FOCUS OVER THE PAST YEAR WAS ON THE FoFA REFORMS, THE APPLICATION OF THE TAX AGENT SERVICES REGIME TO FINANCIAL PLANNERS, AND THE ENSHRINEMENT IN LAW OF THE TERM 'FINANCIAL PLANNER'. ”

PROFESSIONAL RECOGNITION

Continued

Table 1: Advertising placements

NATIONAL PAPERS	
The Australian Financial Review	The Australian
REGIONAL	
NEW SOUTH WALES	
Sydney Morning Herald	Newcastle Herald
Illawarra Mercury	Northern Daily Leader
Port Macquarie Express	Coffs Harbour Advocate
AUSTRALIAN CAPITAL TERRITORY	
Canberra Times	
VICTORIA	
The Age	The Border Mail
Shepparton Advertiser	Geelong Advertiser
Ballarat Courier	Daylesford Advocate
Bendigo Advertiser	The Wimmera Mail Times
QUEENSLAND	
Courier Mail	Gold Coast Bulletin
Townsville Bulletin	Toowoomba Chronicle
Rockhampton Morning Bulletin	Fraser Coast Chronicle
Sunshine Coast Daily	Mackay Daily
Cairns Post	
SOUTH AUSTRALIA	
Adelaide Advertiser	The Flinders News
The Recorder	The Transcontinental
Whyalla News	Sunraysia Daily
Murray Pioneer	Barrier Daily Truth
WESTERN AUSTRALIA	
West Australian	NORTHERN TERRITORY
	Northern Territory News
TASMANIA	
Hobart Mercury	

2012 FINANCIAL PLANNING WEEK

Financial Planning Week is a national FPA campaign to encourage, educate and empower Australians to discover the positive difference that financial advice can make in their lives. The 2012 campaign was held during 20 – 26 August and was the twelfth consecutive Financial Planning Week. The campaign involved the following activity:

- launch of a new consumer website at fpadifference.com.au
- launch of a new 'Ask an Expert' online forum for consumers to ask questions
- new real-life story video clips that brought financial advice to life
- new consumer guides explaining financial advice in plain English
- an intensive social media campaign
- national advertising on TV, websites, Google advertising network, magazines and newspapers
- the support of high profile media and financial planning experts.

Results

Financial Planning Week was very effective in raising the profile of the FPA and our members:

- the new website resulted in a 25% increase in web traffic during Financial Planning Week
- a new 'Ask an Expert' online forum attracted over 10,000 hits (see next column)
- an intensive social media campaign saw us double our FPA followers during Financial Planning Week to over 550, with over 160 re-tweets and comments made by influential bloggers.

'ASK AN EXPERT' PROGRAM

A redeveloped 'Ask an Expert' online forum was launched during Financial Planning Week and ran until February 2013. Through 'Ask an Expert', consumers can ask any question regarding financial planning to a panel of FPA practitioner members. The questions are answered online, forming an online library of valuable content and information to which consumers can refer at any time.

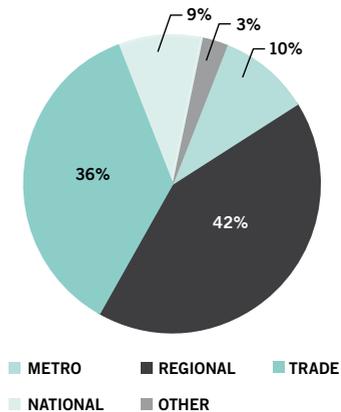
The program has proved very popular, with questions being submitted on a wide variety of topics such as retirement, superannuation, savings and insurance.

130 questions were answered during the financial year.

MEDIA COVERAGE

Throughout the financial year, 1,532 items of media coverage appeared mentioning the FPA.

Figure 1: Breakdown of publication type



PROFESSIONAL RECOGNITION

Continued

THE CFP® PROFESSIONAL DIFFERENCE

In October 2012, we surveyed consumers and financial planning practice principals about their perceived value of the CFP® designation.

From the results we put together 11 proof points which formed the 'Professional Difference' gained by financial planners becoming CERTIFIED FINANCIAL PLANNER® professionals. These proof points on page 21 were used in marketing and advertising campaigns throughout the year and published on the website.

BEST PRACTICE AND HONORARY AWARDS

In the second year of the Best Practice Awards we received a large number of entries that showcased some great examples of best practice in financial planning. The awards were presented at the FPA 20th Anniversary Champagne Receptions that were held in the capital cities after the Advanced Technical CPD Workshops.

We are grateful for the time and insight invested by the judging panel to shape the criteria and assess the entries for the Awards.

The 2012 judging panel comprised:

- Patrick Canion CFP®
- David Haintz CFP®
- Lisa Weissel CFP®
- Steve Helmich
- Neil Kendall CFP®

The 2012 National Best Practice Award winners are:



FPA CERTIFIED
FINANCIAL PLANNER®
Professional Best Practice Award
Michelle Tate-Lovery CFP®



FPA Financial Planner AFP®
Best Practice Award
Shane Lenehan AFP®



Future2 Community Service
Best Practice Award
Mark O'Leary CFP®

In the 2012/13 financial year, the following FPA members received Honorary Awards to mark their outstanding contribution to their profession.

DISTINGUISHED SERVICE AWARDS

- NSW: Debbie Gampe AFP®
- QLD: Andrew Gricks CFP®
- VIC: Hari Maragos CFP®

FPA FELLOW AWARDS

- Louis (Lou) Delfos AFP®
- Wayne Moriarty CFP®
- Ian Mein CFP®
- Gary Lucas CFP®
- George Flack CFP®
- Terry Kays CFP®
- Rodney Lavin CFP®



The CFP® DESIGNATION *difference:*

**YOUR professional
DIVIDEND.**

The Consumer view

For consumers, a CFP® designation is the most commonly cited credential when looking for a financial planner.*

Consumers who use (or express a preference to use) CFP® practitioners were willing to pay **28%** more for financial advice.*

The Practitioner view

75% of planner licensees said they would pay up to \$40,000 per annum more for planners with a CFP® designation.**

On average, CFP® professionals earn \$35,000 per annum more than other financial planners.**

67% of financial planners believe that the CFP® designation would have a positive impact on their reputation.†

41% of financial planners believe that the CFP® designation would have a positive impact on business growth.†

The Practice view

57% of licensees report that business revenue increased as a result of employing CFP® professionals.††

65% of licensees claim that client relationships are strengthened by having a greater number of CFP® practitioners.††

44% of planner licensees said their practice would favour a CFP® practitioner when it came to employing a new planner.**

Regulatory & Risk view

CFP® professionals account for over **35%** of the planner population but less than **2%** of ASIC enforcement activity.△

78% of licensees state that corporate risk and complaints are reduced by having a greater number of CFP® practitioners.††

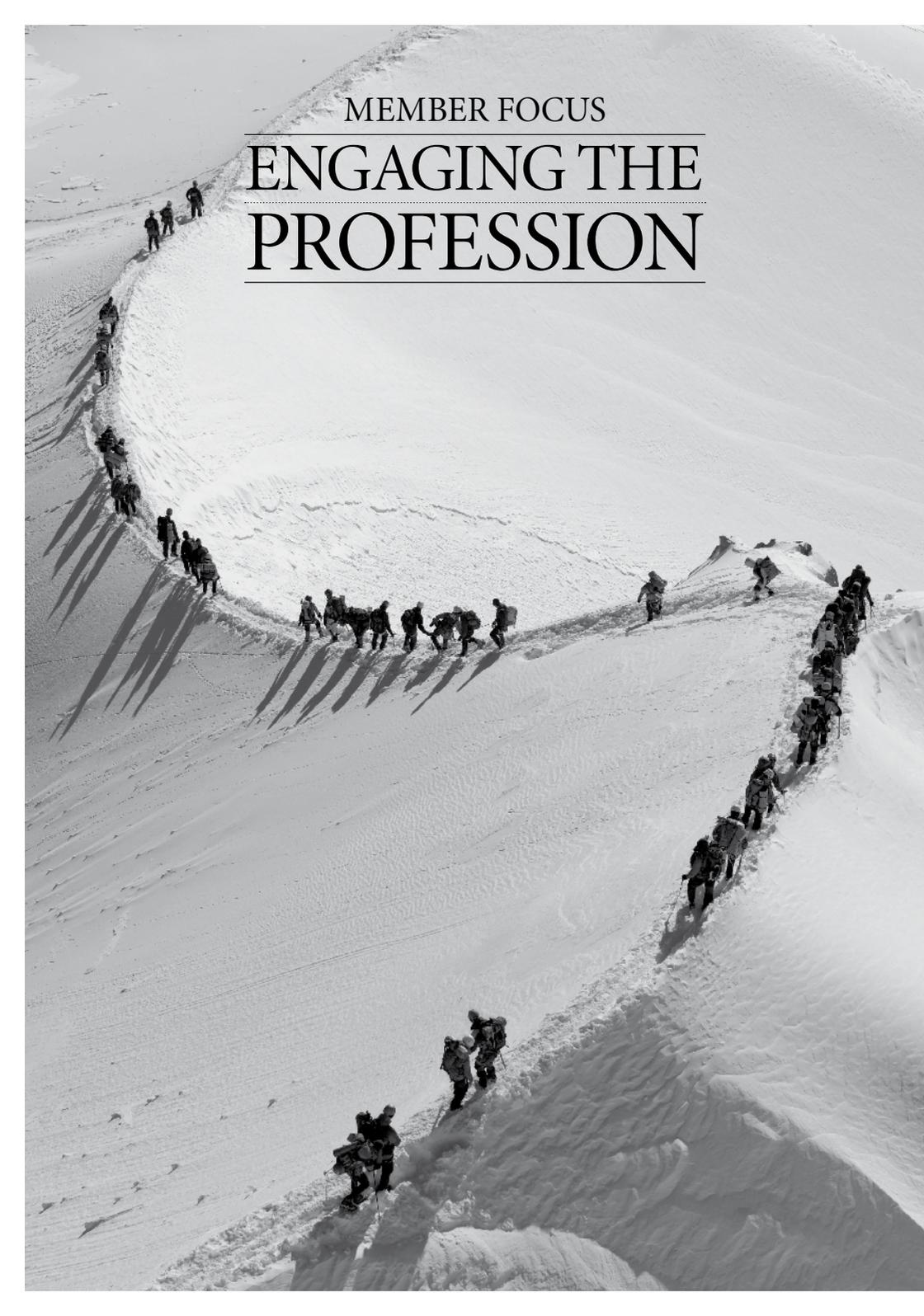


Visit fpabestpractice.com.au/cfp



FINANCIAL PLANNING
ASSOCIATION OF AUSTRALIA

Sources: * Investment Trends August 2012 Advice and Limited Advice Report survey of over 1,400 consumers; ** Investment Trends FPA Professional Dividend Report September 2012; † Investment Trends April 2012 Planner Business Model Report; †† Comparator Business Benchmarking September 2012 Market Pulse Report representing 60% of planner market; △ FPA and ASIC data for past three years.
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MEMBER FOCUS

ENGAGING THE PROFESSION

THREE YEAR STRATEGY

PROGRESS AS AT JULY 2013

GOAL

STRATEGY

Build a professional community and professional solidarity.

Evaluate every engagement point with members.

Ensure a relevant and engaged Committee structure.

Align and engage Committee structure to new FPA.

Engage member communities at a local practice level.

Sign up 1,000 Professional Practices.

Engage members in their professional community.

Review and measure Chapter performance.

MEMBER FOCUS

We are now a professional community that has a strong voice, shares ideas and acts as a support network. Being a member has never been as valuable or empowering.

As at 30 June 2013, the composition of the FPA membership was:

CFP® Practitioner member	5,503
AFP® Practitioner member	2,398
Associates	1,734
Student Associates	467
Retired Associates	138
FPA Professional Practices	221
FPA Professional Partners	80
Total member numbers	10,541

In 2012, we streamlined our membership categories by discontinuing the Paraplanner Associate and Future Planner Associate categories, merging them into our associate category.

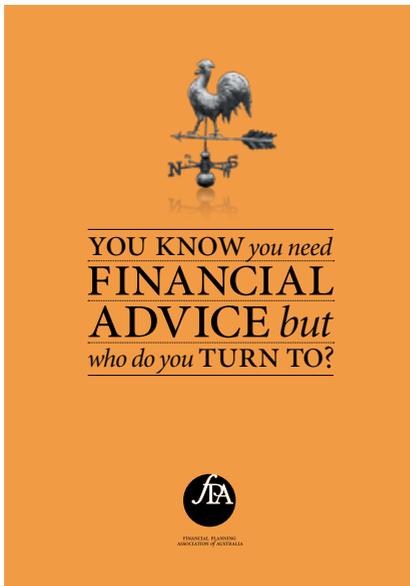
2012/13 saw a range of initiatives to support our membership at national and grass roots levels:

- ‘Professional Leadership Series’ luncheons took place throughout August and September in the five capital cities. At these well-attended luncheons, sports personalities Anna Meares, James Magnussen and Jessica Schipper shared their strategies for success. Members earned 1 CPD point for attending.
- Coordination and delivery of three Advanced Technical Workshops with our partners The Tax Institute, Cavendish Super and Aged Care Steps in the capital cities from October to December 2012. These workshops were very topical, practitioner-focused and interactive, attracting 3 CPD points for a two-hour session.
- The ‘Find a Planner’ online directory of FPA practitioner members was viewed 265,503 times in 2012/13. This was an 8% increase

in views from the year before. Plans are in place to enhance this directory so results can be filtered according to areas of speciality and expertise.

- ‘Ask an Expert Week’ was held from 21 – 27 January 2013. This was a consumer and member awareness campaign where we concentrated our media activity on the service and focused our message on the new year being a good time for consumers to put their finances in order.
- The Bulletproof Financial Planning Toolkit and roadshows were developed exclusively for our members to ease their transition to the new Future of Financial Advice (FoFA) reforms. For more details go to page 31.
- A redesigned and refreshed ‘FPA Express’ (weekly e-newsletter) resulting in an average member open rate of 29% and a click-through rate of 32%.
- Simplified and streamlined membership categories, value proposition and pricing facilitate communication and delivery of value, as well as new member recruitment.
- Conducted our second comprehensive member satisfaction survey and findings were used to inform new member engagement initiatives.
- Refocused our social media activity:
 - members-only LinkedIn group has been well received as a private forum for members to raise issues and share best practice ideas and has over 1800 members.
 - FPA LinkedIn page has over 1000 followers.
 - our Twitter handle @FPAAustralia has over 1200 followers.

- Launch of the FPA consumer brochure which describes the financial planning process in six easy steps, and guides consumers through the questions they should be asking when they meet with a financial planner. 4000 copies were ordered and distributed during Financial Planning Week.



- Revamped and enhanced the new member welcome kits and implemented a welcome call program to facilitate engagement and new member retention.
- The FPA supported over 100 Chapter events through our network of 32 Chapters
- Chapter Committee elections for the years 2012 – 2014 were held during October 2012.

- The FPA Committee structure that was launched in August 2011 has been undergoing regular review to ensure it continues to meet the needs of the organisation and our members.
- FPA Committee Chairs were engaged to provide feedback through an annual conference call with the FPA Chair and CEO.

FPA PROFESSIONAL PRACTICES AND PARTNERS

In 2012/13, we held a series of five forums for our Professional Partners in the FPA Boardroom. These forums provided our Professional Partners with updates on the FoFA reforms, TASA (Tax Agent Services Act), the FPA Code of Professional Practice, ASIC and the CERTIFIED FINANCIAL PLANNER® designation. Peter Kell, Deputy Chairman of ASIC was a key speaker at three of these forums. These forums helped us shape our initiatives to support our members such as our Bulletproof Financial Planning campaign discussed on page 31. We are currently developing a forum for Partners to update them on the latest developments around the CERTIFIED FINANCIAL PLANNER® designation and education.

For our Professional Practices, we held a series of five webinars which provided insight into various elements of the FoFA reforms.

The number of our Professional Practices and Partners has grown since last year. By 30 June 2013, we had 221 Professional Practices and 80 Professional Partners who have pledged to share our professional journey and uphold the high standards we stand for.

PROFESSIONAL LEADERSHIP

SHOWING

THE WAY



THREE YEAR STRATEGY

PROGRESS AS AT JULY 2013

GOAL

STRATEGY

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

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

Ensure CFP® designation and experience are world class.

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

Ensure CPD education is of the highest standard.

Minimum 80% satisfaction rating for CPD and conference sessions.

Members have knowledge of our professional framework.

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

PROFESSIONAL LEADERSHIP

The FPA continues in its mission to foster and uphold the highest standards of education, professional conduct and ethics among its members.

Significant activity has been undertaken in the 2012/13 year around key initiatives, including the FPA's:

- Code of Professional Practice
- CFP® certification program
- Financial Planning Education Council (FPEC)
- specialist designations of LRS® Life Risk Specialist and AEPS® Accredited Estate Planning Strategist
- CPD and marks audit
- CPD education model
- 'Bulletproof Financial Planning' campaign to facilitate members' transition to the new FoFA reforms
- professional accountability
- professional advocacy.

CODE OF PROFESSIONAL PRACTICE

The Government's Future of Financial Advice (FoFA) reforms modified the Corporations Act with a legislative response to government concerns about the quality, cost and conflicts that have arisen in past financial advice practices. While the FPA has championed this intent and acknowledges the government, regulatory and public support for professionalism, we recognise that inherent limitations in regulatory design mean these legislative changes will not deliver the consumer protection that Australians need, or the professional respect that their professional financial planners deserve.

A key element of the FoFA reforms has been the inclusion of express powers to ASIC to encourage professional codes of conduct through the provision of class order relief to providers covered by that Code.

The FPA, as the leading professional association for financial planning, already has a world respected Code of Professional Practice that governs the conduct of members of the FPA and that is used by the Financial Ombudsman Service (FOS), the Courts and the Conduct Review Commission as the recognised set of standards for the provision of financial planning services in Australia. As part of its application (in February 2012) to ASIC for approval of the Code, the FPA Board undertook to review the Code and consider how it should be modified to respond to recent changes in the law.

In October 2012, the FPA released a consultation paper 'Modifications to the FPA Code of Professional Practice to incorporate FoFA' setting out our proposals to meet the key FoFA challenges of quality, access to advice and conflicts of interest. We received over 200 member and other key stakeholder responses including from our Consumer Organisations, Professional Practices, Professional Partners, Industry Funds and others and this work has driven the development of our updated Code of Professional Practice.

Effective 1 July 2013, the Code was updated to address the FoFA reforms and provide clarity to members to meet professional expectations in the post-FoFA environment. It maintains our commitment to our professional community and the public benefit it serves by ensuring the FPA Code of Professional Practice is the leading standard for the professional practice of financial planning in Australia.



WE UPDATED THE CODE TO ADDRESS THE FoFA REFORMS, ENSURING THAT THE FPA CODE OF PROFESSIONAL PRACTICE REMAINS THE LEADING STANDARD OF PROFESSIONAL PRACTICE IN AUSTRALIA.



CFP® CERTIFICATION PROGRAM

Increasing awareness of the compelling independent research¹ that demonstrates the benefits to business growth, practitioners themselves, practices and consumers, it is no surprise that participation in the CFP certification program is increasing, with an 11% increase from last year in the number of members enrolling in the program. Students have ranged from those aged in their early 20s to a few in their 60s and even 70s, benefiting from the contributions of over 50 practitioners who committed time and expertise to the profession, ensuring the relevance and currency of the program.

Academically, the FPA's program continues to be recognised as being at a Masters level. The FPA continues to work with its accredited university partners to arrange formal exemption agreements for CFP certification study at higher education providers and other professional associations.

Careful oversight by both the Professional Designations Committee (in terms of results and processes) and member committees for each education program (content and assessment) assures the rigour and relevance of the content.

It is important to recognise that it is practitioner contributions that underpin the program that is supported by Deakin University. Practitioner involvement includes writers, reviewers, subject matter experts, presenters, assessment writers, assessors and mentors. The certification

examination alone has a review process by practitioners for each new individual question, plus two full review panels for each examination paper. A separate panel reviews the overall pass mark.

Student feedback in 2013 has demonstrated the effectiveness of FPA student support, with an increased use of webinars and the student helpdesk to support this distance education program.

FINANCIAL PLANNING EDUCATION COUNCIL

In November 2012, the Financial Planning Education Council (FPEC) achieved an Australian first when it released an agreed national university-level curriculum for financial planning. This concluded a formal consultation process with all Australian universities and relevant higher education providers.

The FPEC curriculum and accreditation guidelines refine the FPA's definition of an 'approved degree' that underpins the entry requirement for the CFP® certification program plus the eligibility for membership as a Financial Planner AFP® from 1 July 2013.

Since the launch of the guidelines, FPEC's financial planning practitioners and academics have completed the accreditation process with three universities and commenced the process with three more. Initial discussions have been undertaken with four other universities.

All university courses on the FPA's approved list will be audited against the new standards.

¹FPA Professional Dividend Report September 2012

PROFESSIONAL LEADERSHIP

Continued

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

FPEC's major roles include:

- drive the development of an Australian Financial Planning University Curriculum based on the Financial Planning Standards Board's global curriculum
- develop accreditation requirements for the range of 'Approved Programs'
- develop accreditation requirements for specialist designations
- establish expectations of academic participation in the profession
- channel research activity in financial planning
- promote the value of university and industry partnership in financial planning
- promote the career of financial planning to university students.

SPECIALIST DESIGNATIONS

During 2012/13 there has been a significant growth in members with both the AEPS® Accredited Estate Planning Strategist designation and the LRS® Life Risk Specialist designation. There was a 50% increase in the number of members who applied for the designations in 2012/13 from the year before.

CPD AND MARKS AUDIT

An audit of CPD records was conducted of 10% of practitioner members, seeking evidence of the number of accredited and other CPD points and the inclusion of the required Ethics CPD points. Use of FPA and FPSB brands was also audited.

In both cases, an education process was undertaken to ensure that members comply with the current versions of the CPD Policy and Regulation 02/04.

CPD EDUCATION MODEL

The FPA continues to be recognised as the industry's leading approval body for CPD education quality. Around 90% of all CPD available to financial planners is FPA accredited, and demand for accreditation of CPD by the FPA reached record levels this year.

Over 200 Learning & Development professionals working in the licensee community are FPA Accredited Assessors, and in 2012 a members-only Linked-In group was established to facilitate ideas-sharing among this specialist community.

This year, the FPA offered a diversified CPD program which has resulted in:

- Coordination and delivery of three Advanced Technical Workshops with our partners The Tax Institute, Cavendish Super and Aged Care Steps in each of our capital cities from October to December 2012. These workshops were very topical, practitioner-focused and interactive, attracting 3 CPD points for a two hour session.
- FPA CPD webinar programs for our practitioner members and professional practices continues to prove popular, with over 5800 members registering for sessions throughout the year with satisfaction ratings from members exceeding 80%.

- A comprehensive series covering the FoFA reforms and our approach to facilitating a best practice approach through enhancements to our own Code of Professional Practice.
- Delivery of our Professional Leadership Series in each capital city featuring leading Australian sports personalities including some direct from the London Olympics. The lunchtime events were positioned by the FPA as an ideal opportunity for planners to invite clients and proved very popular.
- Free self-paced Code of Professional Practice introductory education program completed now by over 1000 members.
- The launch of a free and exclusive 'Bulletproof Financial Planning Toolkit' for members.

BULLETPROOF FINANCIAL PLANNING TOOLKIT AND ROADSHOWS

On 1 July 2013, the FoFA reforms introduced professional regulation alongside legal reform for the first time in Australian financial planning.

As part of our commitment to support and protect our members by promoting best practice and in response to research showing that over half of financial planners cite FoFA as a main challenge¹ the FPA developed 'Bulletproof Financial Planning'. This is a practical education and resources toolkit exclusively for our members to ease their transition to the new Future of Financial Advice (FoFA) reforms.

Based on a practical assessment of the FoFA changes, and modifications to FPA's professional standards, the Bulletproof Financial Planning Toolkit consists of simple and practical guidance, tools and resources to help members and their businesses put the theory into practice. Tools included webinars, easy reference guides, short videos, FAQs and an example of a Fee Disclosure Statement. Located online at www.fpa.asn.au/bulletproof, the toolkit received over 11,000 views from over 8000 visitors during the financial year.

Bulletproof Financial Planning Roadshows were held across Australia for all 32 Chapters throughout April-June 2013. At these roadshows, the FPA Executive team spoke to members about how to prepare for the FoFA regulations. These roadshows were very well attended, with 1850 registrations from FPA members. 1 CPD point was earned for attending.

 **THE FPA DEVELOPED 'BULLETPROOF FINANCIAL PLANNING', A PRACTICAL EDUCATION AND RESOURCES TOOLKIT EXCLUSIVELY FOR OUR MEMBERS.** 

¹Investment Trends Professional Dividend Report September 2012

PROFESSIONAL LEADERSHIP

Continued

PROFESSIONAL ACCOUNTABILITY

The FPA is committed to informing members and the community of the trends and outcomes of complaints and disciplinary action in the financial planning profession. It is important for members and the community to be confident that the profession takes a strong position on the protection of the reputation of financial planners by responding to breaches of its professional expectations.

The FPA Conduct Review Commission (CRC) has responsibility under the FPA Constitution and the FPA Disciplinary Regulation for determining disciplinary actions brought by the FPA against members. Disciplinary action against a member often follows the FPA's investigation of a consumer complaint. The FPA Investigating Officer may report suspected breaches of the FPA's Code of Professional Practice to the Conduct Review Commission.

The CRC Chair may then cause a Notice of Charge to be issued to the member for the alleged breach. A CRC Disciplinary Panel is formed to hear and determine the disciplinary action against the member.

Sanctions may range from expulsion and suspension of membership to fines and supervision orders and formally reprimanding the member.

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

- We received a total of 33 formal complaints.
- We finalised a total of 47 complaints.
- As at 30 June 2013 we had nine outstanding complaints, down 60% on the same time last year.

- We conducted one Conduct Review Commission hearing and delivered three determinations. Two members were expelled and one member was sanctioned by reprimand and a requirement to complete professional education. (Refer to Table 1.)
- We utilised the benefits of the Summary Disposal facility, enabling us to work cooperatively with members (under the watchful eye of the CRC) to achieve corrective professional regulatory outcomes that foster the protection of the profession and the community. There was one Summary Disposal (refer to Table 2) and one member invited to enter into Summary Disposal discussions (pending finalisation).
- We automatically terminated the membership of six FPA members under the provisions of the FPA Constitution. (Refer to Table 3).

We further fostered the protection of the profession and the community by responding to over 350 enquiries from members, consumers and other stakeholders in relation to professional standards related activity.

It should be noted that ASIC banned 13 individuals from practising as financial planners and, of these, only three were members of the FPA.

Tables 1 to 3

CASE NO.	MEMBER DETAILS	MEMBER CATEGORY	MEMBER NUMBER	EFFECTIVE DATE	SANCTION
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Table 1: CRC determination

CRC_2012_2	John Schulter	AFP®	32097	6 Jul 2012	Expelled & Costs
CRC_2012_3	Yvette Daniel	CFP®	23185	6 Jul 2012	Expelled & Costs
CRC_2012_4	Blinded	AFP®	Blinded	13 Jul 2012	Reprimanded, Professional, Education, Costs

Table 2: Summary disposal

SD_2012_2	Blinded	AFP®	Blinded	30 Nov 2012	Reprimanded & Fined
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Table 3: Automatic termination pursuant to FPA Constitution

MEMBER DETAILS	MEMBER NUMBER	EFFECTIVE DATE	MEMBER CATEGORY	CLAUSE	REASON
Robert Wintour	24694	27 May 2011*	AFP®	16.1(b)	Insolvent
Joe Chan	336853	1 Jun 2012*	AFP®	16.1(e)	Banned by ASIC
Steven Burge	10938	31 Jul 2012	CFP®	16.1(b)	Insolvent
Janece Giraldo	10845	16 Aug 2012	AFP®	16.1(e)	Banned by ASIC
Lynette Hughes	35459	25 Aug 2012	AFP®	16.1(f)	Failure to pay monetary penalty
Alec Khoo	6459	12 Mar 2012	CFP®	16.1(e)	Banned by ASIC

*Automatic termination of membership effected during 2012/13 – underlying event occurred in an earlier period.

PROFESSIONAL LEADERSHIP

Continued

PROFESSIONAL ADVOCACY

The FPA continued with the challenging FoFA negotiations, tidying up unresolved issues including:

- grandfathering of benefit arrangements
- the impact of FoFA on buying and selling advice businesses, and planners changing licensees
- ASIC's regulatory approach to conflicted remuneration, scaled advice, the best interests obligations, and fee disclosure statements.

The FPA has also been focused on the changes to the Tax Agent Services regime as it will apply to financial planners. As the only financial planning association recognised by the Tax Practitioners Board (TPB), the FPA has remained a key player with a seat at the table in the Tax Agent Services Act (TASA) debate.

Importantly, while amendments to the TASA Bill were being debated in Parliament, the FPA worked hard to secure a 12-month reprieve from the commencement of the regime until 1 July 2014. This was vital to give Treasury and the TPB time to undertake appropriate consultation with industry to determine the registration requirements for financial planners. The extra time will also allow financial planners to assess whether they do or do not need to undertake additional training in order to meet the TASA requirements.

The FPA has continued to fight for better outcomes for our members' clients in relation to superannuation, particularly in relation to the excess contributions cap penalty system and other changes to the superannuation contribution caps.

The FPA continued its commitment to strive for appropriate and improved outcomes for members and their clients on key policy issues at numerous meetings with politicians, Government agencies, appearances at a number of enquires such as the Parliamentary Joint Committee Inquiries into the Tax Agent Services Bill and the Bill to enshrine the term 'financial planner', and other stakeholder groups held throughout the year, as shown in Tables 4 and 5 on the following pages.

“ THE FPA CONTINUED ITS COMMITMENT TO STRIVE FOR APPROPRIATE AND IMPROVED OUTCOMES FOR MEMBERS AND THEIR CLIENTS ON KEY POLICY ISSUES. ”

Table 4: FPA stakeholder meetings

MONTH	WHO
July 2012	<ul style="list-style-type: none"> • Federal Government's Superannuation Roundtable • Financial Services Council (FSC) • Andrea Slattery (SMSF Professionals' Association)
August 2012	<ul style="list-style-type: none"> • ASIC (Consumer Code) • Financial Services Council (FSC) • Financial Services Industry Partnership (ATO) • Peter Kell (ASIC) • Andrea Slattery (SMSF Professionals' Association) • Jenni Mack (CHOICE) • Treasury
September 2012	<ul style="list-style-type: none"> • ASIC (scaled advice and Best Interests Duty) • Financial Services Council (FSC) • NSW Treasury • NSW Office of State Revenue • Peter Kell (ASIC) • Industry Super Network (ISN) • Federal Government's Superannuation Roundtable • ASIC (Framework for national exam)
October 2012	<ul style="list-style-type: none"> • Financial Services Council (FSC) • ASIC (FoFA) • Industry Super Network (ISN) • ASIC (Conflicted remuneration) • The Prime Minister's Digital Economy Forum
November 2012	<ul style="list-style-type: none"> • ASIC • Tony Pearson (Shadow Treasurer Joe Hockey's office) • Financial Services Council (FSC) • Launch of the Chair in Financial Literacy • Senator Mathias Cormann (Shadow Minister for Financial Services and Superannuation) • Jenni Mack (CHOICE) • AUSTRAC (AML) • ASIC (Managed Discretionary Accounts) • Andrea Forbes (Minister Bill Shorten's office) • Gordon Renouf (consumer group representative) • ASIC (Code approval) • CPA Australia
December 2012	<ul style="list-style-type: none"> • Federal Government's Superannuation Roundtable • Pravin Madhanagopal (Opposition Leader, Tony Abbott's office) • Peter Kell (ASIC) • Andrea Forbes (Minister Bill Shorten's office) • ASIC

PROFESSIONAL LEADERSHIP

Continued

MONTH	WHO
January 2013	<ul style="list-style-type: none"> ASIC (Fee Disclosure Statement Roundtable) The Hon. Bill Shorten MP (Minister for Financial Services and Superannuation) ASIC (Code approval) Industry Super Network (ISN)
February 2013	<ul style="list-style-type: none"> Financial Services Council (FSC) ASIC (FoFA) Financial Ombudsman Service (FOS) Industry Super Network (ISN) June Smith (Code of Professional Practice) Treasury (Enshrinement of Financial Planner) Jenni Mack (Superannuation Council) Financial Ombudsman Service (FOS) (FOS stakeholder consultation project) ASIC (FoFA) ASIC (Code approval) Treasury (FoFA regulations)
March 2013	<ul style="list-style-type: none"> Ian Taylor (Chair Tax Practitioners Board) Kelly O'Dwyer MP Assistant Treasurer David Bradbury MP Treasury (Tax Agent Services) Senator David Bushby Financial Ombudsman Service (FOS) (FOS stakeholder consultation project) Kate Parker (Department of Industries and Innovation) ASIC (FoFA Roadshow) Industry Super Network (FPA Code of Professional Practice) Commission (ASIC) ASIC (Code approval) Australian Taxation Office (ATO) Treasury (Enshrinement of Financial Planner) CPA Australia
April 2013	<ul style="list-style-type: none"> Industry Super Network (ISN) Federal Government's Superannuation Roundtable The Hon. Bill Shorten MP (Minister for Financial Services and Superannuation) The Hon. Joe Hockey MP (Shadow Treasurer) Jenni Mack (Superannuation Council) Senator Mathias Cormann (Shadow Minister for Financial Services and Superannuation) Parliamentary Joint Committee on Corporations and Financial Services (Public hearing on Enshrinement Bill) Philip Lindsay (Opposition Leader Tony Abbott's office) Ian Taylor (Chair, Tax Practitioners Board) ASIC (Tax Agent Services) Financial Services Council (FSC) ASIC (Code approval)

MONTH	WHO
April 2013 <i>CONTINUED</i>	<ul style="list-style-type: none"> • Treasury (Fee Disclosure Statements) • ASIC (Conflicted remuneration) • Tax Practitioners Board (TPB Consultative Forum)
May 2013	<ul style="list-style-type: none"> • ASIC (quarterly meeting) • Jenni Mack (Superannuation Council) • ASIC (ASIC stakeholder research project) • The Tax Institute • The Hon. Joe Hockey MP (Shadow Treasurer) • Treasury (Superannuation) • Treasury (Tax Agent Services) • Treasury (Intra-fund advice) • Financial Services Council (FSC) • Andrea Forbes (Minister Bill Shorten's office) • Insurance Council of Australia (ICA) • Tax Practitioners Board (TPB) • Australian Taxation Office (ATO) • Ian Taylor (Chair, Tax Practitioners Board) (Registration requirements)
June 2013	<ul style="list-style-type: none"> • Tax Practitioners Board (TPB Consultative Forum) • The Tax Institute • Peter Kell (ASIC) • ASIC (Tax Agent Services) • Pravin Madhanagopal (Opposition Leader Tony Abbott's Office) • Ian Taylor (Chair Tax Practitioners Board) (Registration requirements) • Government's Superannuation Charter Roundtable • Treasury (FoFA) • Financial Ombudsman Service (FOS) • Tax Practitioners Board (Financial Planning Consultation Session) • The Tax Institute • Financial Services Council (FSC) • Professional Standards Council (PSC) • ASIC (Code approval)

The FPA continued its commitment to represent members' views through our participation in key Government committees and working groups.

PROFESSIONAL LEADERSHIP

Continued

Table 5: FPA Government committee participation

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Superannuation Roundtable	Minister for Financial Services and Superannuation via The Treasury	To consider ideas raised at the Tax Forum for providing Australians with more options in retirement and improving certain superannuation concessions.
Government Superannuation Advisory Committee	Minister for Financial Services and Superannuation	Established to enable the Government to seek advice on matters relevant to current or prospective superannuation legislation and Government policy proposals which have significant impact for the superannuation industry.
Self Managed Superannuation Funds (SMSF) Working Group	Australian Taxation Office	Dedicated to refining Government's policies on the Stronger Super reforms relating to SMSFs.
Personal Tax Advisory Group	Australian Taxation Office	Provides an opportunity for a cross section of organisations representing individual taxpayer key client groups and senior Tax Office leaders to discuss issues relating to the administration of the tax system and work collaboratively to develop solutions.
Tax Practitioners Board Consultative Forum	Tax Practitioners Board	The Consultative Forum is for TPB Recognised Associations to discuss matters relating to the TPB's role in regulating tax advice.
Financial Services Industry Partnership (FSIP)	Australian Tax Office	The FSIP provides ATO's senior executives and senior representatives of the financial services industry with a forum for dialogue, consultation, and the resolution of issues concerning the administration of the tax system relevant to the financial services industry.
National Tax Liaison Group (NTLG)	Australian Tax Office	The NTLG is the ATO's peak consultative forum, created to focus on topics of strategic importance to the administration of the tax and superannuation system.

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Superannuation Consultative Committee (SCC)	Australian Taxation Office	The SCC concentrates on high level aspects of ATO administration, including the implementation of government policy in superannuation, and ATO strategies and programs involving superannuation and its clients.
Superannuation Consultative Committee Education and Communication sub-committee (SCC&EC)	Australian Tax Office	This sub-committee focuses on the education and communication aspects of ATO administration relating to superannuation.
AML/CT Financial Consultative Forum	AUSTRAC	Industry forum to discuss issues and concerns regarding AML/CT obligations.
Mental Health Memorandum of Understanding Steering Group	Minister for Financial Services and Superannuation via The Treasury	Seeks to improve the financial services industry's understanding of mental health conditions, and address the administrative and risk management practices associated with the provision of insurance, to improve the life insurance outcomes for Australians with mental health conditions.

The FPA produced over 20 formal submissions and numerous informal submissions and letters to government and other stakeholders. The FPA produces these submissions in line with its 'four policy principles':

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

In developing submissions, the FPA undertakes consultation with members through formal committee processes and other methods, such as at Chapter visits, email, phone and LinkedIn.

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

PROFESSIONAL LEADERSHIP

Continued

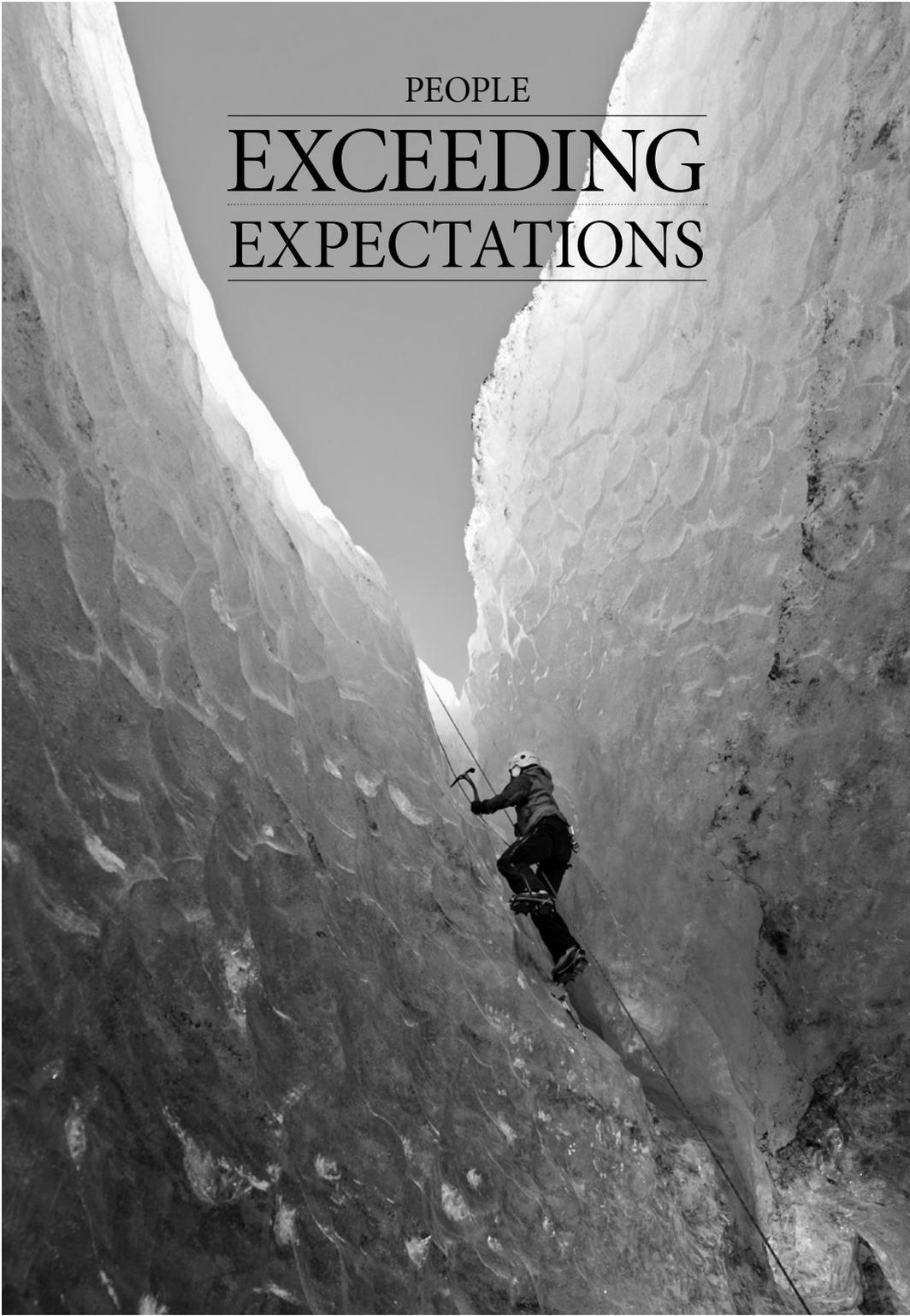
Table 6: Submissions in 2012/13

No.	SUBMISSION ISSUE	RECIPIENT	DATE
1	Charter of Superannuation Adequacy and Sustainability and Council of Superannuation	Treasury	19 June 2013
2	A Regulatory Framework for Tax (Financial) Advice Services (previously Tax Laws Amendment (2013 Measures No. 2) Bill 2013, Schedules 3 and 4)	Parliamentary Joint Committee on Corporations and Financial Services	11 June 2013
3	Review of the Benchmarks for industry-based Customer Dispute Resolution Scheme	Commonwealth Consumer Affairs Advisory Board	24 May 2013
4	Exposure Draft TPB (PG) D04/2013: Course in Australian Taxation Law for Financial Planners	Tax Practitioners Board	21 May 2013
5	Tax and Superannuation Laws 2 Amendment (2013 Measures No. 3) Bill 3 2013: Superannuation concessional contributions cap	Treasury	15 May 2013
6	Consultation Paper 200 Managed Discretionary Accounts: Update to RG 179	Australian Securities and Investments Commission	5 May 2013
7	Veterans' Affairs Legislation Amendment (Military Compensation Review and Other Measures) Bill 2013 Provisions	Senate Foreign Affairs, Defence and Trade Committee	18 April 2013
8	Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013 – Schedule 2 (Enshrinement Bill)	Parliamentary Joint Committee on Corporations and Financial Services	18 April 2013
9	Exposure Draft – Corporations Amendment Regulation 2013 (No. F): Grandfathering	Treasury	25 March 2013
10	Tax Laws Amendments Bill 2013 and proposed amendments to the Regulations FPA supplementary submission	Treasury	25 March 2013
11	Exposure Draft Tax Agent Services Act	Treasury	8 March 2013
12	Federal Budget 2013-14	Treasury	31 January 2013

No.	SUBMISSION ISSUE	RECIPIENT	DATE
13	Exposure Draft-Legislative amendments relating to the use of the expressions 'Financial Planner' and 'Financial Adviser'	Treasury	21 December 2012
14	Exposure Draft – Accountants' exemption replacement regulations	Treasury	21 December 2012
15	Information Sheet – Fee Disclosure Statements	ASIC	12 December 2012
16	CP191 Future of Financial Advice: Approval of Codes of conduct for exemption from opt-in requirement	ASIC	7 December 2012
17	CP189 Future of Financial Advice: Conflicted Remuneration	ASIC	9 November 2012
18	CP182 Best Interest Duty and Related Obligations	ASIC	10 October 2012
19	PJC submission on Superannuation Legislation Amendment (Further MySuper & Transparency Measures) Bill 2012	Parliamentary Joint Committee on Corporations and Financial Services	3 October 2012
20	Exposure Draft – Portability of Superannuation between Australia and New Zealand	Treasury	2 October 2012
21	Review of the Payroll Tax Act 2007 (NSW)	Office of State Revenue	14 September 2012
22	Default Superannuation funds in modern awards	Productivity Commission	3 August 2012
23	Review of compensation arrangements for consumers of financial services – Consultation on final report	Treasury	6 July 2012

PEOPLE

EXCEEDING
EXPECTATIONS



THREE YEAR STRATEGY

PROGRESS AS AT JULY 2013

GOAL

STRATEGY

Create a commercial performance culture.

Review and implement job specifications, appraisals and development plans.

Become employer of choice for industry and profession.

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

Ensure team become dynamic engaging leaders.

All team members take ownership of member engagement.

Align organisation structure to the new FPA.

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

PEOPLE

More than ever, the FPA's people are passionately committed to serving our member base, united by a strong culture of collaboration and innovation.

We have continued to develop and realign the FPA's internal resources, operations and culture. Our organisational structure is now aligned to a professional organisation.

The FPA team of around 35 is located in our Sydney office. An innovative and collaborative culture has been firmly embedded with a steadily increasing level of satisfaction amongst staff members.

A key focus remains on ensuring FPA staff are valued, given opportunities to grow and that they work within clear structures and performance management systems. 2012/13 saw the following initiatives for our people:

- Increased staff satisfaction in annual staff survey in 2013 (4.64 out of 5.00) compared to 2012 (4.12 out of 5.00)
- Regular staff meetings and quarterly performance awards for staff
- Communications on HR issues by email
- Clear organisation structure communicated when staff changes occur
- An improved performance management framework for all staff
- WHS training session for all staff
- Strategy day where the entire organisation joined together to help shape the FPA strategy and direction. The strategy day was followed by a team building event.



We have been delighted to see a significant increase in engagement with Future2 by FPA members and Chapters this year. It has been evident in the numbers who have supported local not-for-profits in their applications for Future2 grants.

Moreover, Chapters around the country have continued their fundraising activities through auctions, raffles and special events.

In renewing their 2013/14 membership, many FPA members made donations to Future2, supporting the work of their profession's charitable foundation in the community and enabling Future2 to assist more disadvantaged and vulnerable young Australians.

Our major fundraising event was the Future2 Wheel Classic 2012 (a Sydney to Melbourne fundraiser) and most who participated were FPA members. The individual fundraising efforts of the cyclists topped \$100,000, bringing the grand total of funds raised by this single event to \$142,000. FPA Professional Partners, AMP Financial Planning and Matrix Planning Solutions are well recognised for their generous support of the event. Teams were entered by Godfrey Pembroke, Bravien Financial and Milestone.

The Future2 Community Service Best Practice national award, part of the FPA Best Practice Awards, went to Mark O'Leary CFP®, Eluvia, Melbourne, Victoria.

The year ended on a very positive note with the signing of a Memorandum of Understanding by the boards of the FPA and Future2. Their intention is to formalise and further strengthen the relationship for the betterment of the Australian community and the enhancement of professionalism among financial planners. The agreement, for an initial period of two years, will align Future2 solely with the FPA, opening the way to stronger engagement by all members.

WE ARE *driven* BY OUR
PASSION
AND COMMITMENT TO
CHANGING PEOPLE'S LIVES
FOR THE BETTER,
BE IT THROUGH SOUND
FINANCIAL ADVICE OR BY
giving back to the
COMMUNITY
THROUGH FPA'S FUTURE2 FOUNDATION.

FINANCIAL PERFORMANCE

IMPROVING

EFFICIENCIES



THREE YEAR STRATEGY

PROGRESS AS AT JULY 2013

GOAL

STRATEGY

Build a financially sustainable organisation.

Maximise member and non-member income.

Improve operational efficiency.

Cost effective and reliable systems and database.

Member fees to cover operating costs.

Increase practitioner members to 10,000.

Implement prudent cost control measures.

Limit cost to expense ratio to 90% of revenue.

FINANCIAL PERFORMANCE

The FPA enjoyed robust financial health last year, allowing us to reinvest the surplus in furthering our profession's interests, education, and promotion of our members to the community at large.

After returning a modest net operating surplus in 2011/12, the FPA returned a healthy net operating surplus in 2012/13. This was mainly due to an increase in member numbers and prudent cost management.

FINANCIAL HIGHLIGHTS FOR THE YEAR 2012/13 INCLUDED:

- Continuing to follow the organisation's new strategy, 2012/13 saw significant cost control which has resulted in more than \$930,000 of savings in operating costs from the 2011/12 year.
- A revitalised membership renewals campaign that ensured an increase in the number of members.
- An increase in enrolments into the CFP® Certification program, providing more than \$170,000 of net education revenue compared to the 2011/12 year.
- An ongoing review of our systems and processes in order to increase productivity and to provide us with the tools to best serve our members.
- Continuing with the national advertising campaign where all levies collected were put towards further enhancing the community standing of our members.
- A significant investment in further advertising of more than \$200,000 out of the FPA's operating surplus.
- The provision of free 'Bulletproof Financial Planning' Roadshows made available to all members.

“ THE FPA GENERATED A RECORD SURPLUS OF \$1,413,047 ON THE BACK OF PRUDENT EXPENSE MANAGEMENT AND A RECORD INCREASE IN MEMBERSHIP NUMBERS. ”

FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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DIRECTORS' REPORT

For the year ended 30 June 2013

DIRECTORS

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



Matthew Rowe
CFP®, CPA (FPS), GAICD,
BEC, Dip FP, GradDipAcct
**Chair and Additional
Director**
*Appointed 30 November
2007*

Matthew is Managing

Director of Hood Sweeney and has 16 years' experience in the financial planning profession. Matthew was elected to the FPA Board in 2007 as a practitioner elected member and subsequently appointed the Chair of the Board at the AGM in November 2010. Matthew is currently chair of the Remuneration and Succession Planning Committee of the Board, the Board Performance & Governance Committee and the Board Member Engagement Committee.

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

Matthew is also a current Director and Trustee of Future2, the charitable foundation for the financial planning profession.



Mark Rantall
CFP®, CPA
**Director and Chief
Executive Officer**
Appointed 1 July 2010

Mark is the Chief Executive Officer of the FPA and a Certified Financial Planner®

professional. Following a 25-year financial services career, he was appointed by the FPA Board in

2010 to lead the FPA in raising the standing of Australia's professional financial planners.

In his time at the FPA, Mark has achieved key constitutional changes to the FPA membership structure to focus on individual practitioners and secured more than \$2 million of funding from members for a national consumer advertising initiative. In addition, Mark has spear-headed the campaign to raise awareness of the higher standards of FPA members to the Government, media and other industry stakeholders on behalf of the FPA's 8,500 practitioner members and the 5 million clients they advise.

Prior to the FPA, Mark was involved in the creation of The NAB Academy and held the post of Dean of Advice after serving as Managing Director of Godfrey Pembroke from 2003 to 2008. In this role, Mark successfully facilitated more than 200 Godfrey Pembroke advisers to transition to a fee-for-service remuneration model in 2006.



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

Bruce is a professional non-executive director and has served on a number of public and private boards.

Bruce is currently a member of the Board Professionalism and Policy Committee and has served on a number of other Committees from time to time. Previously Bruce was managing director and country manager for Australia of ING Bank N.V., and over 25 years held a number of chief executive roles in wholesale and investment banking, and stockbroking. He was admitted as a barrister to the Supreme Court of New South Wales in 1989, and he is a Fellow of the Institute of Company Directors. In addition to being a director of the FPA, Bruce is Chairman of State Water Corporation and Chairman of SMSF Owners' Alliance Limited.



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

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



Julie Matheson
CFP®, BA, DFP
Appointed 26 November 2010

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

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

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



Matthew Brown
CFP®, Dip FP, MAICD
Appointed 18 November 2011

Matthew is Practice Principal and Certified Financial Planner of MiQ Private Wealth, one of the largest Private Wealth

Planning Groups in Australia, he has over 24 years' experience in the financial planning profession. Matthew was elected to the FPA Board as a practitioner elected member at the AGM in November 2011. Matthew is currently a member of the Board Professionalism and Policy Committee. Matthew has been an active member of the Gold Coast FPA Chapter since 2000, holding the role as Treasurer for five years, and more recently Chapter Chair of Gold Coast since 2007.

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



Philip Pledge
B.EC, FCA
Additional Director
Appointed 1 January 2009

Philip became a Partner in one of the antecedent firms of Ernst & Young in 1966 and remained a Partner until his retirement from Ernst & Young in 2001. He practised in a range of disciplines over his career with his special interests being in the field of transaction support and performance improvement. In these roles he was involved in a number of capital raisings by IPO and Private Equity. His passion for corporate performance improvement was the skill that led to his promotion through the Ernst & Young organisation to be South Australian Managing Partner from 1979 to 1998 and National Chairman from 1992-1994. Philip has held a number of Board positions. Philip is the Chair of the Audit & Risk Management Committee of the Board.

DIRECTORS' REPORT CONTINUED

For the year ended 30 June 2013



Patrick Canion
CFP®, MAppFin, GAICD,
DFP, F Fin
Appointed 18 November 2011

Patrick is Chief Executive Officer of ipac Western Australia and has 28 years' experience in financial

services. Patrick was elected to the Board in November 2011 as a practitioner elected representative. He is currently Chair of the Board Member Engagement & Growth committee.

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



Neil Kendall
CFP®, BBus, DFP, FFPA,
MAICD
Appointed 26 November 2010

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

in Brisbane. Prior to that he held General Manager roles with MLC and National Australia Bank in their wealth management divisions, as well as Vice President with Bankers Trust.

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

Neil was treasurer of the FPA Brisbane chapter for four years, and also spent time on the Legs and Regs committee. A Certified Financial Planner, he has a degree in business, and a Diploma in Financial Planning. He is a Fellow of the FPA and a Member of the Australian Institute of Company Directors. Neil is currently a member of the Remuneration & Succession Planning Committee of the Board.



Peter O'Toole
CFP®, FFPA
Appointed 26 November 2010

Peter has worked in the financial service industry since 1982. In the early eighties Peter and several

colleagues established and developed one of the first national securities licensees.

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

- Established the Melbourne Office in 1987;
- Worked as a successful adviser;
- Became Director and Head of Financial Planning in 1996 (and later in addition the Portfolio Management Division) a position he held until the businesses were sold in 2001.

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

COMPANY SECRETARY

Ian Read
Appointed 13 March 2009
Resigned 31 October 2012

Pene Lovett
Appointed 31 October 2012

CORPORATE INFORMATION

CORPORATE STRUCTURE

The Financial Planning Association of Australia Limited (FPA) is a company limited by guarantee and does not have share capital.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

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

REVIEW AND RESULTS OF OPERATIONS

The FPA recorded a before tax surplus of \$1,277,976 for the year ended 30 June 2013 (2012: surplus \$149,761) and an after tax surplus of \$1,413,047 (2012: surplus \$126,065) increasing accumulated members' funds to \$7,339,794 (2012: \$5,926,747) at 30 June 2013.

SIGNIFICANT CHANGES

The significant events that have occurred in the financial year to 30 June 2013 are as follows:

- The increase in member numbers and revenue due to a revitalised renewals campaign.
- The continuing investment made in advertising campaigns funded from members' advertising levy contributions.

SUBSEQUENT EVENTS

There are no significant subsequent events that have occurred since the financial year ended 30 June 2013.

FUTURE LIKELY EVENTS

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

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

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

DIRECTORS' MEETINGS

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

DIRECTORS' MEETINGS 2012/13		
	ELIGIBLE TO ATTEND	NUMBER ATTENDED
Matthew Rowe	8	8
Mark Rantall	8	8
Philip Pledge	8	7
Bruce Foy	8	7
Louise Lakomy	8	7
Julie Matheson	8	7
Peter O'Toole	8	6
Neil Kendall	8	7
Matthew Brown	8	8
Patrick Canion	8	6

DIRECTORS' REPORT CONTINUED

For the year ended 30 June 2013

BOARD COMMITTEE MEMBERSHIP

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

Audit and Risk Management Committee

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

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

Remuneration and Succession Planning Committee

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

The Remuneration and Succession Planning Committee met twice during the period under review.

Member Engagement Board Committee

Matthew Rowe CFP® (Chair), Mark Rantall CFP®, Neil Kendall CFP® FPPA, Kerrin Falconer CFP®, Julie Matheson CFP®, Patrick Canion CFP®, Claude Santucci, Greg Tindall CFP®, Todd Kennedy CFP®, John Hewison CFP® FPPA, Greg Cook CFP® LRS® FPPA

The Member Engagement Board Committee met three times during the period under review. In August 2012 this Committee was consolidated into the new Member Engagement and Growth Committee.

Membership Committee

Neil Kendall CFP® FPPA (Chair), Anna Louise Brown CFP®, Claire Mackay CFP®, Kevin Centra AFP®, Melissa Keating AFP®, Steve Dobson AFP®, Tony Pereira CFP®, Adam Hurwood CFP®, Julie Berry CFP® FPPA

The Membership Committee did not meet during the period under review. In August 2012 this Committee was consolidated into the new Member Engagement and Growth Committee.

Communications and Marketing Committee

Kerrin Falconer CFP® (Chair), Chris Forrest CFP®, Chris Hanson CFP®, Henry Pilat CFP®, Julian Russell CFP®, Justine Shephard CFP® LRS®, Lisa Weissel CFP®, Patrick Canion CFP®,

Shalinee Saurty CFP®, Sorab Daver CFP®, Sue-Ann Charlton CFP®, Wayne Roggero CFP®

The Communications and Marketing Committee did not meet during the period under review. In August 2012 this Committee was consolidated into the new Member Engagement and Growth Committee.

Education and Member Services Committee

Julie Matheson CFP® (Chair), Stephen Bury CFP® LRS®, Greg Cunningham CFP®, Wally David CFP®, George Flack CFP®, Adrian Judd AFP®, Shane Nicholas CFP®, Drew Potts CFP®, Ragnhild Sky CFP®, Palminder Sodhi CFP®, Mark Wenzel AFP®, Dean Williams AFP®

The Education and Member Services Committee did not meet during the period under review. In August 2012 this Committee was consolidated into the new Member Engagement and Growth Committee.

Professionalism and Policy Board Committee

Peter O'Toole CFP® FPPA (Chair), Bruce Foy, Danny Maher CFP®, Guyon Cates, John McMurdo, Louise Lakomy CFP® LRS® FPPA, Mark Spiers CFP® FPPA, Martin McIntosh CFP®, Matthew Brown CFP®, Seng Weng Chong

The Professionalism and Policy Board Committee met twice during the period under review. In August 2012 this Committee was consolidated into the new Professional Standards and Conduct Committee.

Professional Conduct Committee

Guyon Cates (Chair), Trent Alexander CFP®, Chris Benson CFP®, Darryl Bryce CFP®, James Cotis CFP®, Paul Howden CFP®, Benjamin Marshan CFP®, Craig Milroy CFP®, Peter Richards CFP®, Jana Samargis AFP® LRS®, Nick Shugg CFP®, Julian Summers CFP®, Hanny Youcef AFP®

The Professional Conduct Committee did not meet during the period under review. In August 2012 this Committee was consolidated into the new Professional Standards and Conduct Committee.

Policy and Regulations Committee

Jason Andriessen CFP®, Jason Bragger CFP®, Frank Camilleri CFP®, Adrian Hanrahan CFP®, Justin Hooper CFP® AEPS®, William Johns CFP®, Alan Littley CFP®, Tim Mackay CFP®, Craig Meldrum AFP®, Michael Summers CFP® FFPA, Jo Tuck CFP®

Joined: Neil Kendall CFP® FFPA (Chair), Elisha Forde CFP®, Peter Richards CFP®, Nick Shugg CFP® (September 2012)

Resigned: Mark Spiers CFP® FFPA (Chair) (September 2012)

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

Professional Designations Committee

Dario Bartolomeo CFP®, Elson Goh CFP® LRS®, Robert MacLean CFP® AEPS®, Sean McGowan CFP® LRS® AEPS®, Martin McIntosh CFP® (Chair to October 2012), Paul Moran CFP®, Thabojan Rasiah CFP®, Peter Roan CFP® LRS® AEPS® FFPA

Joined: Julie Matheson CFP® (Chair) (October 2012)

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

The following Committees were all established during the period under review:

Member Engagement and Growth Committee (commenced August 2012)

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

The Member Engagement and Growth Committee met four times during the period under review.

Professional Standards and Conduct Committee (commenced August 2012)

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

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

The insurance policy limits of liability are \$10,000,000 each and every claim, and \$20,000,000 in the aggregate. The total amount of insurance premiums (excluding indirect taxes) paid for directors and officers in 2013 were \$11,348 (2012: \$11,348). This policy is renewed annually and the current policy expires on 31 March 2014.

CORPORATE GOVERNANCE

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

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

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



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

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

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

In relation to our audit of the financial report of Financial Planning Association of Australia Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Rita Da Silva
Partner
18 September 2013

Signed in accordance with a resolution of the directors.

Matthew Rowe
Director

Philip Pledge
Director

Date: 18 September 2013
Sydney, New South Wales

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards legislation

DIRECTORS' DECLARATION

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

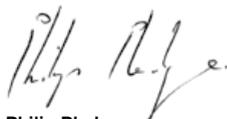
In the opinion of the directors:

- (a) The financial statements and notes of the Association are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2013 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



Matthew Rowe
Director



Philip Pledge
Director

Date: 18 September 2013
Sydney, New South Wales



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

Report on the financial report

We have audited the accompanying financial report of Financial Planning Association of Australia Limited (the "Association"), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Independence

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

Opinion

In our opinion:

- (a) the financial report of Financial Planning Association of Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

Ernst & Young

Rita Da Silva
Partner

Sydney
18 September 2013

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	2	9,574,595	9,789,098
Employee benefits expenses	3(c)	(4,476,128)	(4,790,229)
Depreciation and amortisation expenses	3(a)	(114,924)	(196,010)
Conference, event, program and education expenses		(1,326,508)	(1,962,366)
Occupancy expenses	3(b)	(355,760)	(332,898)
Advertising and marketing expenses		(553,200)	(499,413)
Administration expenses		(948,505)	(929,952)
Other expenses		(513,810)	(510,549)
Total expenses from operations		(8,288,835)	(9,221,417)
Surplus from operations		1,285,760	567,681
Restructuring costs	3(d)	–	(170,492)
Strategic Advertising	3(e)	(7,784)	(247,428)
Operating profit before income tax		1,277,976	149,761
Income tax benefit/(expense)	5	135,071	(23,696)
Operating profit for the year		1,413,047	126,065
Other comprehensive income		–	–
Total comprehensive income		1,413,047	126,065

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	17	2,472,441	7,015,668
Trade and other receivables	6	526,870	284,068
Other current assets	7	13,108,579	5,315,782
Total current assets		16,107,890	12,615,518
Non-current assets			
Plant and equipment	9	223,465	137,464
Intangible assets	10	111,947	118,535
Deferred tax assets	5	450,343	232,087
Total non-current assets		785,755	488,086
Total assets		16,893,645	13,103,604
Current liabilities			
Trade and other payables	11	2,295,875	1,901,922
Income tax payable	5	87,068	–
Provisions	12	223,706	179,982
Other liabilities	13	6,663,828	4,824,781
Total current liabilities		9,270,477	6,906,685
Non-current liabilities			
Provisions	12	196,620	162,664
Other liabilities	13	37,959	54,830
Deferred tax liabilities	5	48,795	52,678
Total non-current liabilities		283,374	270,172
Total liabilities		9,553,851	7,176,857
Net assets		7,339,794	5,926,747
Members' funds			
Retained earnings	8	7,339,794	5,926,747
Total members' funds		7,339,794	5,926,747

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Note	Retained Earnings \$	Total Equity \$
At 1 July 2011		5,800,682	5,800,682
Total comprehensive income for the year		126,065	126,065
At 30 June 2012	8	5,926,747	5,926,747
Total comprehensive income for the year		1,413,047	1,413,047
At 30 June 2013	8	7,339,794	7,339,794

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from members and non-members		8,302,307	9,610,425
Payments to suppliers and employees		(5,887,885)	(6,843,151)
Interest received		559,038	540,237
Net cash flows from operating activities	17	2,973,460	3,307,511
Cash flows from investing activities			
Funds placed on term deposit for terms between 4-12 months		(7,322,350)	(1,608,439)
Purchase of plant and equipment		(136,297)	(107,826)
Purchase of intangible assets		(58,040)	(32,882)
Net cash flows used in investing activities		(7,516,687)	(1,749,147)
Net (decrease)/increase in cash and cash equivalents		(4,543,227)	1,558,364
Cash and cash equivalents at beginning of period		7,015,668	5,457,304
Cash and cash equivalents at the end of period	17	2,472,441	7,015,668

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Financial Planning Association of Australia Limited (the "Association"), which is a non-profit organisation, is limited by guarantee.

The financial report has been prepared on a historical cost basis, except when applicable for certain financial instruments measured at fair value through the profit and loss. The concept of accrual accounting has also been adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The financial report is presented in Australian dollars.

(b) Statement of Compliance

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

Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ended 30 June 2013. The assessment of the impact of these new standards and interpretations are outlined in the table below:

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 13	<i>Fair Value Measurement</i>	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	None expected	1 July 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(b) Statement of Compliance [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 119	<i>Employee Benefits</i>	<p>The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.</p> <p>Consequential amendments were also made to other standards via AASB 2011-10.</p>	1 January 2013	None expected	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards – <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	<p>AASB 2012-2 principally amends AASB 7 <i>Financial Instruments: Disclosures</i> to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when the offsetting criteria of AASB 132 are not all met.</p>	1 January 2013	None expected	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(b) Statement of Compliance [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	<p>AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following:</p> <ul style="list-style-type: none"> • Repeat application of AASB 1 is permitted (AASB 1) • Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 <i>Presentation of Financial Statements</i>). 	1 January 2013	None expected	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to <i>Remove Individual Key Management Personnel Disclosure Requirements</i> [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013**	None expected	1 July 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(b) Statement of Compliance [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>	<p>This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:</p> <p>(a) Tier 1: Australian Accounting Standards</p> <p>(b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.</p> <p>The following entities apply Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit entities in the private sector that have public accountability (as defined in this standard)</p> <p>(b) The Australian Government and State, Territory and Local governments.</p> <p>The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit private sector entities that do not have public accountability</p> <p>(b) All not-for-profit private sector entities</p> <p>(c) Public sector entities other than the Australian Government and State, Territory and Local governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.</p>	1 July 2013	To be determined in 2014 financial year	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(b) Statement of Compliance [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
AASB 2012-3	Amendments to Australian Accounting Standards – <i>Offsetting Financial Assets and Financial Liabilities</i>	AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	None expected	1 July 2014
AASB 9	<i>Financial Instruments</i>	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.	1 January 2015	None expected	1 July 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(b) Statement of Compliance [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
		<p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(b) Statement of Compliance [CONTINUED]

Reference	Title	Summary	Application date of standard*	Impact on Association's financial report	Application date for Association
		<p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10. 			

The financial report of the Association for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 18 September 2013.

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

** This standard cannot be early adopted. Revisions are currently being made to the Corporations Law to bring this disclosure into the Directors' Report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(c) Accounting judgements, estimates and assumptions

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

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

Recovery of deferred tax assets

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

Impairment of non-financial assets other than goodwill

The Association assesses impairment of all assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested.

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 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(d) Plant and equipment

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

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

Information technology assets	2 to 5 years
Plant and equipment	3 to 8 years
Leasehold improvements	The lease term
Furniture and fittings	5 to 10 years

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

Impairment and recoverable amount of assets

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, management makes an estimate of the recoverable amount. Where the carrying values exceed the estimated recoverable amount, the asset is written down to its recoverable amount.

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

Disposal

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

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

(e) Taxes

Income Taxes

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(e) Taxes [CONTINUED]

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

Goods and Services Tax (GST)

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

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

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

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

(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.

(g) Revenue recognition

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

Subscriptions and education fees

The subscription year runs from 1 July to 30 June. Subscriptions are payable annually in advance.

Education fees are payable each semester in advance. Only those fees that are attributable to the current financial year are recognised as revenue.

Conferences and forums

Revenue is recognised when the events take place.

Interest

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

Rental income

Rental income from sublet properties is accounted for on a straight-line basis over the lease term.

Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income. The rental expenditure that is reimbursed under such subletting agreement is netted against the related reimbursement or income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Trade and other payables

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

Financial guarantees

Financial guarantees issued by the Association have not been recognised as a liability. These guarantees are issued in the form of bank guarantees which are assets pledged as security and included as part of the balance of short-term deposits. Refer to note 17(iii).

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Association will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(j) Provisions

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

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

(k) Employee leave benefits

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

Liabilities arising in respect to wages and salaries, annual leave and any other benefit expected to be settled within 12 months of the reporting date are measured at amounts which are expected to be paid when the liability is settled.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(k) Employee leave benefits [CONTINUED]

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

(l) Members' funds

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

(m) Leases

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

Association as a lessee

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

Association as a lessor

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

(n) Investments and other Financial assets

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

(o) Intangible Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

(o) *Intangible Assets* [CONTINUED]

Website development costs

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

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

Computer software

Computer software is classified as an intangible asset when the criteria set out in AASB 138 *Intangible Assets* are met.

(p) *Comparative Figures*

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

	2013	2012
	\$	\$
<hr/>		
2. REVENUE		
<i>Revenue</i>		
Membership subscriptions	6,930,487	6,349,316
Conferences and seminars	316,296	1,222,607
CFP course	909,094	718,555
CFP certification	417,430	354,087
Specialist programs	48,750	41,754
Continuing education	306,238	404,867
Interest received – non-related persons/corporations	547,140	584,995
Other revenue	99,160	112,917
Total revenue	9,574,595	9,789,098

2013 2012
\$ \$

3. EXPENSES

(a) Depreciation and amortisation expenses

Depreciation and amortisation of non-current assets

Computer equipment	13,648	17,527
Furniture and fittings	5,992	7,647
Plant and equipment	7,223	15,212
Leasehold improvements	23,433	63,172
Intangible assets	64,628	92,452
Total depreciation of non-current assets	114,924	196,010

(b) Occupancy expenses

Minimum lease payments – operating lease	368,874	384,531
Lease income – sublease agreement	–	(54,199)
Provision discount adjustment – restoration of leased properties	(13,114)	2,566
Total occupancy expenses	355,760	332,898

(c) Employee benefits expenses

Wages and salaries	4,104,642	4,308,022
Workers' compensation costs	15,559	13,501
Superannuation costs	267,674	298,043
Staff training and recruitment	88,253	170,663
Total employee benefits expenses	4,476,128	4,790,229

(d) Restructuring costs

Restructuring – Rent	–	120,857
Restructuring – Proceeds from disposal of plant and equipment	–	49,635
Total restructuring costs	–	170,492

(e) Strategic Advertising

Costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.

Advertising levies received	(1,390,820)	(2,170,411)
Advertising expenditure	1,398,604	2,417,839
	7,784	247,428

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013 \$	2012 \$
4. AUDITORS' REMUNERATION		
Amounts received, or due and receivable, by Ernst & Young for:		
– an audit of the financial report of the Association	44,800	43,500
– other services – taxation	13,900	24,000
	58,700	67,500

5. INCOME TAX

The major components of income tax expense are:

Statement of Comprehensive Income

Current income tax

Current income tax expense	304,243	264,009
Tax losses recognised and not previously brought to account	(217,175)	(52,276)

Deferred income tax

Relating to recoupment of tax losses	–	(211,733)
Income tax payable	87,068	–
Relating to origination and reversal of temporary differences	(222,139)	23,696

Income tax (benefit)/expense reported in the statement of comprehensive income	(135,071)	23,696
--	------------------	--------

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

Accounting surplus before tax from ordinary activities	1,277,976	149,761
At statutory income tax rate of 30 per cent	383,393	44,928
Net income derived from members not assessable	(310,259)	51,850
Expenditure not allowable for income tax purposes	3,890	8,515
Previously unbooked tax losses	(217,175)	(52,276)
Recognition/derecognition of temporary differences	–	(29,321)
Tax losses not recognised	5,080	–
Income tax expense attributable to operating surplus	(135,071)	23,696

Deferred tax assets and liabilities

Gross deferred tax liabilities	48,795	52,678
Gross deferred tax assets	450,343	232,087

	2013 \$	2012 \$
6. TRADE AND OTHER RECEIVABLES		
Trade Debtors (i)	365,902	21,538
Less: Allowance for impairment loss (ii)	(2,636)	(2,675)
	363,266	18,863
Sundry Debtors (iii)	163,604	265,205
	526,870	284,068

Terms and conditions

Terms and conditions relating to the above financial instruments:

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

7. OTHER CURRENT ASSETS

Prepaid conference expenditure	484,812	–
Prepaid chapter expenditure	41,292	27,472
Other prepayments	34,575	62,760
Term deposits maturing between 4-12 months	12,547,900	5,225,550
	13,108,579	5,315,782

8. RETAINED EARNINGS

Balance at the beginning of the financial year	5,926,747	5,800,682
Total change in members' funds recognised in the Statement of Comprehensive Income	1,413,047	126,065
Balance at the end of the financial year	7,339,794	5,926,747

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	Computer Equipment at cost \$	Furniture and Fitting at cost \$	Plant and Equipment at cost \$	Leasehold Improvement at cost \$	Total \$
9. PLANT AND EQUIPMENT					
<i>Gross carrying amount</i>					
Balance at 1 July 2011	117,282	105,140	105,555	716,457	1,044,434
Additions	4,664	17,130	1,678	84,354	107,826
Disposals	–	(13,848)	(6,818)	(189,986)	(210,652)
Balance at 30 June 2012	121,946	108,422	100,415	610,825	941,608
Additions	2,453	5,674	4,890	123,280	136,297
Disposals	–	–	–	–	–
Balance at 30 June 2013	124,399	114,096	105,305	734,105	1,077,905
<i>Accumulated depreciation and impairments</i>					
Balance at 1 July 2011	(80,603)	(87,482)	(78,525)	(604,965)	(851,575)
Depreciation	(17,527)	(7,647)	(15,212)	(63,172)	(103,558)
Disposals	–	2,955	4,345	143,689	150,989
Balance at 30 June 2012	(98,130)	(92,174)	(89,392)	(524,448)	(804,144)
Depreciation	(13,648)	(5,992)	(7,223)	(23,433)	(50,296)
Disposals	–	–	–	–	–
Balance at 30 June 2013	(111,778)	(98,166)	(96,615)	(547,881)	(854,440)
<i>Net book value</i>					
As at 30 June 2012	23,816	16,248	11,023	86,377	137,464
As at 30 June 2013	12,621	15,930	8,690	186,224	223,465

The gross amount of fully depreciated fixed assets still in use was \$740,783 (2012: \$627,223).

	Website Development at cost \$	Computer Software at cost \$	Total \$
10. INTANGIBLE ASSETS			
<i>Gross carrying amount</i>			
Balance at 1 July 2011	235,802	307,017	542,819
Additions	30,230	2,652	32,882
Disposals	–	–	–
Balance at 30 June 2012	266,032	309,669	575,701
Additions	21,600	36,440	58,040
Disposals	–	–	–
Balance at 30 June 2013	287,632	346,109	633,741
<i>Accumulated amortisation and impairments</i>			
Balance at 1 July 2011	(186,150)	(178,564)	(364,714)
Amortisation	(26,128)	(66,324)	(92,452)
Disposals	–	–	–
Balance at 30 June 2012	(212,278)	(244,888)	(457,166)
Amortisation	(24,311)	(40,317)	(64,628)
Disposals	–	–	–
Balance at 30 June 2013	(236,589)	(285,205)	(521,794)
<i>Net book value</i>			
As at 30 June 2012	53,754	64,781	118,535
As at 30 June 2013	51,043	60,904	111,947

The gross amount of fully amortised intangible assets still in use was \$375,125 (2012: \$274,494).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013 \$	2012 \$
11. TRADE AND OTHER PAYABLES		
Trade creditors and accruals (i)	1,845,541	1,578,665
Goods and Services Tax	450,334	323,257
	2,295,875	1,901,922

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

	Restoration of leased properties \$	Annual leave \$	Long service leave \$	Total \$
12. PROVISIONS				
Balance at 1 July 2012	125,450	165,641	51,555	342,646
Arising during the year	13,708	299,948	26,933	340,589
Utilised	–	(258,718)	–	(258,718)
Unused amounts reversed	–	–	(4,930)	(4,930)
Discount rate adjustment	–	–	739	739
Balance at 30 June 2013	139,158	206,871	74,297	420,326
Current 2013	–	206,871	16,835	223,706
Non-Current 2013	139,158	–	57,462	196,620
	139,158	206,871	74,297	420,326
Current 2012	–	165,641	14,341	179,982
Non-Current 2012	125,450	–	37,214	162,664
	125,450	165,641	51,555	342,646

	2013 \$	2012 \$
13. OTHER LIABILITIES		
<i>Current</i>		
Income in advance:		
– conference income	663,342	–
– event income	2,273	64,973
– education income	211,616	106,814
– membership income	4,732,272	3,751,262
– advertising levies	1,014,898	862,361
– chapter income	22,556	22,500
	6,646,957	4,807,910
Lease incentive	16,871	16,871
	6,663,828	4,824,781
<i>Non-Current</i>		
Lease incentive	37,959	54,830
	37,959	54,830
	6,701,787	4,879,611

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

	2013 \$	2012 \$
14. COMMITMENTS FOR EXPENDITURE		
<i>Operating lease commitments – Association as lessee</i>		
Future minimum rentals payable under non-cancellable operating leases at balance date but not recognised as liabilities are:		
No later than one year	343,244	327,450
Later than one year but not later than five years	831,700	1,174,941
Aggregated lease expenditure contracted for at balance date	1,174,944	1,502,391
In respect of non cancellable operating leases the following liabilities have been recognised:		
<i>Current:</i>		
Lease incentive	16,871	16,871
<i>Non-Current:</i>		
Restoration of leased properties	139,158	125,450
Lease incentive	37,959	54,830
	193,988	197,151

Notes

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

2013
\$

2012
\$

15. EMPLOYEE BENEFITS AND SUPERANNUATION CONTRIBUTIONS

Employee Benefits

The aggregate employee entitlement liability is comprised of:

Accrued wages, salaries and on costs	192,860	142,497
Provisions (current)	223,706	179,982
Provisions (non-current)	57,462	37,214
Accrued superannuation	49,451	25,880
Performance Bonuses	205,629	263,440
	729,108	649,013

Superannuation Commitments

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. Contributions by the Association of up to 9% of employees' wages and salaries are legally enforceable.

16. CONTINGENT LIABILITIES/ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

2013
\$

2012
\$

17. CASH AND CASH EQUIVALENTS

(i) Reconciliation to Statement of Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand	912,540	908,417
Short-term money market deposits	1,559,901	6,107,251
Closing balance as per the statement of cash flows	2,472,441	7,015,668

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

Surplus from ordinary activities after income tax	1,413,047	126,065
Non-cash items		
Depreciation and amortisation	114,924	196,010
Loss on disposal of plant and equipment	–	59,663
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(242,802)	54,903
(Increase) in term deposits for terms between 4-12 months	(7,322,350)	(1,608,439)
(Increase)/decrease in other current assets	(470,447)	306,661
(Increase)/decrease in deferred tax assets	(218,256)	11,907
Increase in trade and other payables	393,953	580,605
Increase/(decrease) in current provisions	43,724	(12,132)
Increase in income tax payable	87,068	–
Increase in other current liabilities	1,839,047	1,978,134
Increase (decrease) in non-current provisions	33,956	(60,924)
(Decrease)/increase in other non-current liabilities	(16,871)	54,830
(Decrease)/increase in deferred tax liabilities	(3,883)	11,789
Net cash flows from operating activities	(4,348,890)	1,699,072

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

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

17. CASH AND CASH EQUIVALENTS [CONTINUED]

(iii) Assets pledged as security

Included in the balance of short-term deposits comprises \$282,801 of which has been granted as security under the lease of premises.

If the Association breaches the lease the landlord may request payment of an amount from the security and apply it to monies owed under the lease.

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

18. RELATED PARTY DISCLOSURES

Directors

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

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

Information on compensation of directors is disclosed in note 19.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

19. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	Directors		Executives	
	2013 \$	2012 \$	2013 \$	2012 \$
Short-Term	657,178	582,556	894,262	794,565
Post Employment	43,585	51,005	80,484	71,511
Total	700,763	633,561	974,746	866,076

Directors Compensation

Short Term Directors Compensation consists of a fee paid and payable to each director for being a director of the Association.

Post Employment Directors Compensation consists of the component of directors fee paid and payable as superannuation.

Executive Compensation

Short term Executive Compensation consists of salaries, annual leave paid within the 12 month period, non cash benefits and bonuses payable.

Post Employment Executive Compensation consists of the component of salaries paid and payable as superannuation.

20. MEMBERS' FUNDS

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

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

Risk Exposures and Responses

Interest rate risk

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

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

	2013	2012
	\$	\$
<hr/>		
<i>Financial Assets</i>		
Cash and cash equivalents	912,540	908,417
Term deposits	14,107,801	11,332,801
	15,020,341	12,241,218

At 30 June 2013, 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:

Judgements of reasonably possible movements:

	2013	Post Tax Profit Higher/(Lower)
	\$	2012 \$
+1% (100 basis points)	150,203	54,753
+0.5% (50 basis points)	75,102	27,287
-0.5% (50 basis points)	(75,102)	(27,287)
-1% (100 basis points)	(150,203)	(54,573)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk Exposures and Responses (CONTINUED)

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

Credit Risk

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

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

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and monetary financial assets and financial liabilities approximate their carrying value.

22. EVENTS AFTER THE BALANCE SHEET DATE

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

CORPORATE INFORMATION

FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA
LIMITED

ABN 62 054 174 453

DIRECTORS

M. Rowe
Chair

M. Rantall
Chief Executive

M. Brown

P. Canion

B. Foy

N. Kendall

L. Lakomy

J. Matheson

P. O'Toole

P. Pledge

COMPANY SECRETARY

P. Lovett

REGISTERED OFFICE

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Sydney NSW 2000
Telephone: 02 9220 4500
Facsimile: 02 9220 4580

SOLICITORS

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44 Martin Place
Sydney NSW 2000

BANKERS

National Australia Bank
330 Collins Street
Melbourne VIC 3000

AUDITORS

Ernst & Young
680 George Street
Sydney NSW 2000



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