

2016 ANNUAL REPORT

*Leading*

THE WAY



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA



<i>Chair's Report</i> .....	<b>2</b>
<i>Hall of Fame</i> .....	<b>6</b>
<i>CEO's Report</i> .....	<b>8</b>
<i>2015-2016 Achievements</i>	
– <i>Professional Community</i> .....	<b>12</b>
– <i>Consumer Awareness</i> .....	<b>24</b>
– <i>Education</i> .....	<b>34</b>
– <i>Government Advocacy</i> .....	<b>40</b>
– <i>Professional Standards</i> .....	<b>48</b>
<i>Financial Statements</i> .....	<b>54</b>



*Through our MEMBERS*  
*WE STAND with*  
*AUSTRALIANS*  
*for a BETTER*  
*financial FUTURE*

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*The past year has been a period of uncertainty and change for our profession. Similarly, our clients are now facing a period of uncertainty and change as a result of significant alterations to the retirement system announced in the federal budget. The FPA is working through these uncertainties as we lift professional standards and ensure more Australians have a better financial planning experience.*

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The importance of financial advice is finally being recognised across the community. Legislative changes that should soon be finalised will further cement the position of the financial planning profession. The potential recognition and restriction of the term 'financial planner' will be the culmination of a quarter of a century's work by the FPA and FPA members to have the term 'financial planner' enshrined in law.

The FPA has never been in a stronger position to work with the profession, Government and regulators to deliver on our promise: To stand with Australians for a better financial future.

This is reflected in our growing membership and increasing engagement with our activities. Recently our membership surpassed 12,000 members and affiliates. We attracted 3,200 members and guests to the 2016 FPA National Roadshow, and we continue to attract more new entrants and existing financial planners into the CFP® Certification Program. The CFP® designation is being recognised as the gold standard, by not only more financial planners – but more employers and consumers.

Over the past year, we have also stepped up our commitment to growing the future of our

profession. We are actively visiting academic institutions throughout the year, to talk to students about the reward and fulfilment a career in financial planning can bring. We have also started to develop a better membership proposition for students, to ensure we nurture budding financial planners and continue to attract emerging talent into our profession.

Just as important as growing the profession, is the need to rebuild trust with the community.

*“Over the past year we have continued our commitment to increase professional standards, not just for our members but for all financial planners and advisers.”*

In all of this activity, it is important that we stay anchored and never lose sight of why we do what we do. Over the last twelve months, through all of this, our members have continued to see clients, to ensure they have a viable

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*The FPA has never been in a stronger position to work with the profession, Government and regulators to deliver on our promise: To stand with Australians for a better financial future.*

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Neil Kendall CFP®  
FPA Chair



plan that helps them navigate the changing landscape. They have insured their lives, planned their retirements, helped them to spend, and to save. When the Government announced major changes to our retirement system in the May federal budget, our members were engaged in understanding the changes and explaining the impact to their clients.

Helping members serve clients is what drives the FPA forward. We couldn't have achieved what we have this year, without a passionate member base, strong FPA Board and leadership team.

In March 2016, Dante De Gori commenced in his role as CEO. This was a well-planned, smooth transition that ensured we maintained

our momentum in a critical time of change. A CFP® professional, Dante is well equipped to understand the challenges and issues faced by financial planners.

We have renewed our focus on engagement with our members, financial planners of the future and consumers. The work we have planned will help us build a better financial future for all Australians.



Neil Kendall CFP®  
FPA CHAIR



FINANCIAL PLANNING  
ASSOCIATION OF AUSTRALIA

CERTIFIED  
FINANCIAL  
PLANNER®

### IT'S ALL YOU NEED TO KNOW

A CERTIFIED FINANCIAL PLANNER® professional is internationally recognised for the highest education and ethical standards. So if you want the best financial advice, just look for a CFP® professional. You can find one today in your local area at [fpa.com.au](http://fpa.com.au)



THE SIGN OF  
GOOD ADVICE

CERTIFIED FINANCIAL PLANNER®

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*The leadership of our past Presidents, Chairs and prominent members has been the foundation upon which the FPA has been built. The FPA acknowledges the dedication shown by these leaders in our profession.*

**FPA CHAIRS**

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

**FPA PRESIDENTS**

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

**FPA CEOS**

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

**FPA LIFE MEMBERS**

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

**FPA FELLOWS**

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

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## DISTINGUISHED SERVICE AWARDS

### 2016

Vicky Ampoulos  
John Jefferies CFP®  
Bruce Foy  
Peter O'Toole CFP® FFPA

### 2015

Paul Brady CFP®  
Patrick Canion CFP®

### 2014

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

### 2013

Dr Mark Brimble  
Scott Hay-Bartlem

### 2012

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

### 2011

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

### 2010

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

### 2009

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

### 2008

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

### 2007

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

### 2006

Ian Chester-Master CFP®

### 2005

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

### 2004

Chris Drummer  
Deborah Kent CFP®  
Bill Kouvas

### 2003

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

### 2002

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

### 2001

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

### 2000

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

### 1999

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

*During the past twelve months, we have taken major steps forward in securing a better future for our profession, and for Australia. As the new CEO, I am proud of what we have achieved to date, and optimistic about what is yet to come.*

It has been four short months since I took the baton as CEO from Mark Rantall. I have spent much of this time speaking and listening to members, and working with the FPA Board to develop a roadmap for the next five years. As we continue to navigate change, it is more important than ever that we maintain focus on the areas that matter most.

#### ADVOCACY

The outcome of the Parliamentary Joint Committee (PJC) Inquiry into the education and professional standards of financial planners, together with enshrinement of the term financial planner/adviser represent changes that will shape the future of our profession. More importantly, they will provide better protection for consumers and help us restore consumer trust in financial planners.

These measures align with the FPA 10 Point Plan we released in May 2014, and represent sustained efforts and dedication to ensure we prepare to take the entire profession to a new level.

*“These measures ... represent sustained efforts and dedication to ensure we prepare to take the entire profession to a new level.”*

Alongside these changes, the life insurance space is also set for radical change. Last year we collaborated with Government and other stakeholders to ensure an outcome that is

workable for financial planners, and in the best interest of consumers. In April 2015, the draft regulations were amended to address concerns we raised during the consultation process.

Completing a year of significant change, the 2016 Federal Budget brought significant proposed changes to superannuation, and we also dealt with the uncertainty of a federal election. Needless to say, it has been a period of ongoing uncertainty for FPA members and our focus over the coming year will be to create as much stability and support as we possibly can.

#### EDUCATION

A major focus of the past year has undoubtedly been education. The FPA has continued to champion the need for higher education in the financial planning profession, and very soon an independent standards-setting body will be established to set the education standards, professional year framework and continuing professional development requirements for financial planners.

We understand that change and uncertainty can be unsettling. As such, we made a commitment to develop a solution for financial planners who need to undertake further study to meet the forthcoming education requirements.

In 2015/16 we also kickstarted a project to review the technology we use to deliver the CFP® Certification Program, with a view to delivering a more seamless, modern day learning experience. We know our program content is world-class, our next focus

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*...it is imperative that we support the development of the financial planning curriculum in Australia, to ensure our profession is strong and sustainable.*

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Dante De Gori CFP®  
Chief Executive Officer



is on delivering the best possible student experience that meets the study needs of the next generation.

Whilst it is important to support our existing membership, we realise that it is also imperative that we support the development of the financial planning curriculum in Australia, to ensure our profession is strong and sustainable. This year we took extensive measures to build on our relationships with universities and ensure the foundations are in place to support budding financial planners on their career journey. To encourage and inspire students currently studying financial planning, we were delighted to hand out our first ever FPA University Student of the Year Award and see firsthand the talent that is emerging in our field.

### CONSUMER AWARENESS

This year, we rolled out an advertising campaign that reached 6 million consumers online. Funded by an advertising levy from CFP® practitioner members, the campaign continued with the *It's all you need to know* message to ensure more Australians understand the credentials of a CERTIFIED FINANCIAL PLANNER® professional. The advertising was seen and heard across Australia in 44 newspapers, on 41 radio stations, in six magazines and e-newsletters, on Facebook, LinkedIn and on over 20 websites.

Our consumer efforts also included the appointment of a new consumer PR agency, and the 15th Financial Planning Week. We remain highly committed to reaching consumers with our message and have some exciting new projects on the horizon which I look forward to sharing with you soon.

### COMMUNITY

During 2015/16, we raised \$477,000 as a professional community for the Future2 Foundation. This is an extraordinary effort that involved a large number of FPA members and FPA Professional Partners. Future2 represents the heart of our profession, and it is heart-warming to see such focus on giving back.

Earlier this year we were sad to see Susan Grice retire from the foundation after seven dedicated years, and Steve Helmich step down as the Future2 Chair. The FPA team has committed to carrying on the legacy they leave behind, by continuing to build on the great work of the Future2 Board, which is now in the very capable Chairmanship of Matthew Rowe.

This year we saw a record number of FPA members turn out for the FPA National Roadshow.

During 2015/16, we reached over 12,000 members, gaining over 2,000 new members. Over the past financial year, we delivered over 115 local events and attracted 1,000 delegates to Brisbane for the 2015 FPA Professionals Congress. It is clear to me that our community is not only growing, but taking seriously the challenges and opportunities that lie ahead.

Like anything we achieve at the FPA, we couldn't achieve it without the support and commitment of our members. Each year, we receive feedback via a countless number of emails, phone calls, submission contributions, FPA events and survey responses and we make a point to listen closely. I was also delighted to kickstart live #AskDante Twitter chats this year and this has provided another channel for members to reach out. A big thank you for providing your valuable input.

I'd also like to extend a big thank you to the FPA Board and committees, and our vibrant Chapter committees who work tirelessly to ensure our professional community provides support and camaraderie at a local level.

Finally, I would like to thank Mark Rantall CFP®, whom I was lucky enough to serve under the past five years. I am humbled to carry on his legacy and look forward to steering the FPA ship to our next destination.



Dante De Gori CFP®  
CHIEF EXECUTIVE OFFICER

At 30 June

**12,397**

members

Consumer ad  
campaign reached

**6 million**

consumers online

Raised

**\$477k**

for the Future2  
Foundation

Consumer ad campaign  
appeared on

**41**

radio stations

**20+**

websites

Consumer ad campaign  
appeared in

**50**

newspapers/magazines  
& e-newsletters

Delivered

**115**

local events

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*PROFESSIONAL COMMUNITY*

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TOGETHER  
.....  
*for tomorrow*

*FPA members represent the future of financial planning. It is only right that we serve them with a first class program of education, professional development and networking.*

During 2015/16, FPA membership numbers grew steadily, reaching 12,397 at 30 June. The composition of the membership at this time was:

CFP® practitioner member	5,533
AFP® practitioner member	3,744
Associate member	2,146
Student member	441
Retired member	138
FPA Professional Practices	308
FPA Professional Partners	87
<b>TOTAL</b>	<b>12,397</b>

## ONLINE LEARNING

During 2015/16 we ran a comprehensive webinar program to support FPA members with technical learning, practice management and updates on key areas of legislation. Topics this year included the Government's proposed changes to insurance, policy and regulatory update, TPB information session, peer-to-peer loans, retirement and aged care workshops, impact of mobile technology, 2016 Federal Budget, preventing disputes in SMSFs, and philanthropy.

Each webinar provided members with CPD hours. The program has once again proved a valuable resource for members, attracting a total of 3,746 webinar registrations and 5,581 recording requests. This is almost double the number of webinar registrations from the previous year. This financial year, members have completed more than 1,340 quizzes to earn CPD hours online by reading the relevant *Financial Planning* magazine articles.

This year, we have continued to offer access to our free e-learning module to help members better understand the FPA Code of Professional Practice, and acquire 1.5 CPD hours in the area of ethics upon successful completion.

## MEMBER RESOURCES

In response to an extended period of extraordinary change, we have created additional tools to help members and FPA Professional Practices adapt to the changing regulatory environment.

These tools include fact sheets, webinars, FAQs, videos and reference articles exclusively for FPA members.

The following tools were added to the Member Centre (or updated) this year:

### Future of Financial Advice (FoFA)

This year, we updated our comprehensive toolkit on FoFA to reflect changes to the deadlines for sending fee disclosure statements and opt-in notices from 30 days to 60 days. We also discussed these changes in our 2016 FPA National Roadshow.

### Anti-Money Laundering (AML)

The Foreign Account Tax Compliance Act (FATCA) commenced on 1 July 2014. While FATCA is primarily an obligation on product issuers, there are requirements that impact the AML customer identification role performed by financial planners.

As a result, we jointly with the Financial Services Council (FSC) revised our set of 12 AML customer identification forms to help members collect the information required to comply with the FATCA obligations. These forms are for FPA and FSC member use only. In addition, an FPA/FSC Guidance Note on implementing the customer identification aspects of FATCA was also produced.

The rules for identification of clients and due diligence obligations contained in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) came into effect on 1 January 2016. Updated client identification forms incorporating the new obligations are available via the FPA website.

### 2016 Federal Budget

Once again, the FPA was invited to attend the Federal Budget stakeholder lock-up. This enabled us to produce and distribute the 2016 *FPA Budget Wrap* to members on Budget night. The Budget Wrap provided a brief summary of the Budget announcements that are potentially relevant to members and their clients.

The *FPA Budget Wrap* was followed with an FPA Budget webinar and a live Twitter chat with Dante De Gori.

### Delivering Excellence Booklet

In 2016, we developed a FPA Member Guidance booklet which was launched at the 2016 FPA National Roadshow. The booklet, *Delivering Excellence: Further advice solutions for a superior client experience*, focused on helping financial planners build long-term relationships.



The booklet brought to life examples and strategies to help financial planners deliver the best further advice to their clients. Topics covered included the need for further advice, trigger events for further advice, as well as a dashboard for tracking client progress and goals in an easily understandable format.

The booklet was very well received at the 2016 FPA Roadshow and has been made available on the Member Centre.

### FINANCIAL PLANNING MAGAZINE



*Financial Planning* magazine continues to be a highly valued resource by FPA members. *Financial Planning* magazine delivers in-depth technical and issues-based articles that FPA members are unlikely to get elsewhere. Every issue of the magazine includes CPD articles which provide members with the opportunity to take an online quiz and earn CPD hours. These articles cover a broad range of topics such as technical investment strategies, tax, compliance, practice management, education, training, policy and regulation.

Each month, the magazine features members who have demonstrated excellence or individuals who have helped shape the profession.

## FPA PROFESSIONAL PRACTICE PROGRAM

The FPA Professional Practice program continues to foster professionalism in financial planning practices, and create consumer recognition for high quality practices around the country.

As part of our commitment to continually enrich the value and support offered within the FPA Professional Practice program, this year we introduced a series of new initiatives. Reflective of this expanded offering, the number of practices signed up to the program rose by 14%, in the last twelve months.

The highlights during 2015/16 were:

### Referral programs

The FPA and Cbus Advice Referral program designed to connect Australian consumers with CFP® professionals within the FPA Professional Practice community has generated 2,269 client referrals as at 30 June 2016.

*As at 30 June 2016,  
the referral program  
has generated  
2,269 client referrals.*

The program was followed up with a partnership with public offer fund Sunsuper, to support the fund in building their own advice referral panel.

In November 2015, we announced the launch of a pilot national advice referral program that connects ING Direct Superannuation Fund members with the FPA Professional Practice community. Since the commencement of the program, several referrals have been generated.

## Business HealthCheck

In 2015, we announced a partnership with Business Health, an independent provider of solutions for financial services businesses. Through the partnership, the FPA subsidised a complimentary Business HealthCheck for FPA Professional Practices, enabling them to gain a better understanding of the practice management drivers in their business and the opportunities for improvement. The HealthCheck provides practices with a comprehensive, independent and objective benchmarking review of their business against the industry average.

### Practice forums

In November 2015, we hosted an FPA Professional Practice workshop at the FPA Professional Congress, facilitating peer-to-peer learning and networking within the practice community. A series of state-based forums have occurred over the past year, where practice principals discussed real life practice issues, exchanged ideas and spoke about their experiences in the FPA Professional Practice program.

### Media opportunities

This year, we also made a commitment to increase the profiling of FPA Professional Practices, to provide higher levels of professional recognition for practices who uphold high professional standards. As part of this initiative, we introduced regular practice profiling in *Financial Planning* magazine and now regularly connect FPA Professional Practices with local media opportunities.

### FPA PROFESSIONAL PARTNER PROGRAM

During 2015/16, we continued our efforts to deliver value to our FPA Professional Partner community.

The ongoing Partner Advisory Forums, such as the Education and Professional Standards Leaders Forum, have enabled us to deepen engagement with our partners across different interest areas. In 2015/16 the forums focused on professional standards and the education framework, which are topics our members are most concerned about.

Over the past year, we also engaged with our partners at eight PD Days and conferences around the country to conduct presentations or host an FPA stand.

### FPA CHAPTERS

The FPA local member engagement channel of 31 Chapters continued to strengthen through the Regional Chapter Committee (RCC) Board Committee and State Chapter Chair meeting, each held three times per year.

In 2015/16, the FPA ran 115 member events, including the FPA National Roadshow, the 2015 FPA Professionals Congress in Brisbane, CPD seminars, masterclasses and workshops, as well as social golf days, tennis day, networking evenings and sporting events.

The Chapter network, facilitated by the RCC, is in a stronger position for members to engage with their local peers with a clear line of feedback and engagement with the FPA. The RCC will also play an integral role assessing the Future2 Foundation grant applications, for recommendation to the Future2 Grants Committee.

### FPA PROFESSIONALS CONGRESS

The financial planning community gathered in Brisbane for the 2015 FPA Professionals Congress. Last year's Congress theme *Shaping Futures*, was designed to empower and educate planners on how to lead the profession into the future. This was explored through insights and tools to help create powerfully engaging client experiences and grow resilient businesses.

The 2015 Congress featured 24 workshops divided across four streams: *Expand, Grow, Engage* and *Inspire*.

The event attracted over 1,000 delegates from around the country and created a buzz on social media. For the first time, the FPA Professionals Congress App was launched, allowing delegates to check the event program and engage in conversations with other delegates.

#### The highlights were:

- 99% of respondents rated the Congress 'excellent', 'very good' or 'good'
- 75% of delegates downloaded the FPA Professionals Congress App
- The #FPACongress conversation trended in Australia as the fifth most popular topic on Twitter
- Over \$200,000 was raised for Future2 at the Future2 Gala Dinner and Future2 Wheel Classic.

## FPA NATIONAL ROADSHOW

The 2016 FPA National Roadshow, *Delivering Excellence for a superior client experience*, prepared financial planners for the future by demonstrating how additional value and services can improve client outcomes. Visiting 33 locations around Australia, the event provided a timely update on key legislative changes, and practical guidance in the areas of further advice and aged care.

*At over 3,200 registrations, this year's roadshow succeeded in ensuring members were well informed and supported through the profession's changing landscape.*

The first half of the event was delivered by the FPA, and provided an update on the new education and professional standards, life insurance framework, superannuation and tax reforms, plus an update on FoFA and TASA requirements. Delegates were provided with a practical booklet to help them find opportunities to improve engagement with clients and improve practice revenue and client retention.

The second half of the event was presented by Challenger, and also Aged Care Steps in the capital cities. This session updates attendees on regulatory changes affecting retirement income streams and planning, and how retirement income advice can build a practice and add value to clients.

We were extremely pleased with event feedback with 97% of delegates stating they were satisfied with the event.



## FPA AWARDS PROGRAM

### FPA AWARDS

FPA Awards recognise financial planners who deliver qualified and trusted financial advice, using the highest standard of ethics, practice standards and professional conduct. This year, the FPA Awards program attracted a large number of entries and outstanding examples of best practice. The awards were presented at the 2015 FPA Professionals Congress in Brisbane. The categories this year were:

- FPA CERTIFIED FINANCIAL PLANNER® Professional of the Year Award
- FPA Financial Planner AFP® of the Year Award
- Future2 Community Service Award
- FPA University Student of the Year Award

We are extremely grateful to our judging panel for their role in shaping the award criteria, and ensuring a fair and well-considered assessment process. The 2015 judging panel comprised:

1. Michelle Tate Lovery CFP®
2. Mark O’Leary CFP®
3. Jim Fenwicke CFP®
4. Jeremy Gillman-Wells CFP®
5. Tania Chau CFP®
6. Cameron Pereira CFP®
7. Anne Graham CFP®
8. Kathy Havers CFP®
9. William Johns CFP®
10. Mark Rantall CFP®
11. Stephen Godfrey AFP®
12. Simon Podesta AFP®
13. Simon McGuirk AFP®
14. Lisa Weissel CFP®

Our 2015 national award winners were:

### FPA CERTIFIED FINANCIAL PLANNER® Professional of the Year



**Christopher Smith CFP®**  
*VISIS Private Wealth*

### FPA Financial Planner AFP® of the Year



**John Molnar AFP®**  
*Ipac South Australia*

### Future2 Community Service Award



**Christopher Moore CFP®**  
*Optimum LifeFocus  
Financial Planning*

### FPA University Student of the Year Award



**Natalie Cross**  
*Griffith University*

### **DISTINGUISHED SERVICE AWARDS**

FPA Distinguished Service Awards recognise exceptional contribution to the work of the FPA and the common good of the profession, through voluntary service to FPA Chapters, Committees or taskforces.

During 2015/16, Distinguished Service Awards were presented to:

Peter O'Toole CFP®

Randall Stout CFP®

Bruce Foy

Vicky Ampoulos

John Jefferies CFP®

### **FPA LIFE AWARDS**

FPA Life Awards recognise exceptional contribution to the development and reputation of the financial planning profession and the FPA, over an extended period of time.

During 2015/16, a Life Award was presented to:

Mark Rantall CFP®

### **FPA FELLOW AWARDS**

The FPA Fellow Awards recognise those who have demonstrated leadership and made an outstanding and selfless contribution to the profession, and the community.

During 2015/16, Fellow Awards were presented to:

John Jefferies CFP®

### **GWEN FLETCHER MEMORIAL AWARD**

The Gwen Fletcher Memorial Award, is awarded to the highest achieving student in the CFP® Certification Program each semester. The award honours the memory of the late 'First Lady of Financial Planning' and her lifelong endeavours to champion professionalism within financial planning.

During 2015/16, the Gwen Fletcher Award was presented to:

Sunitha Chamala, BDO Private Wealth Advisers

Claire McGregor, Elston Partners

## FUTURE2 FOUNDATION



In the past year, Future2 has seen many changes leading the way for a stronger partnership with the FPA. After an initial two-year Memorandum of Understanding with the FPA, in August 2015, the FPA Board officially formalised our ongoing alliance, and Future2 has since become an important element of the FPA's strategic plan.

During 2015/2016 we also saw some changes in the Future2 leadership. The Future2 Board was delighted to appoint Matthew Rowe CFP® as Chair of the Board, and add four new directors/trustees.

The new Board appointees are:  
Dante De Gori CFP®, CEO of the FPA;  
Matthew Brown CFP® of MiQ Private Wealth;  
Petra Churcher AFP® of ipac South Australia  
and Michael Guggenheimer of AMP Financial Planning and Hillross Financial Services.

In December 2015, Steve Helmich stepped down from the Future2 Board after two three-year terms as Chair. Under his leadership, the foundation has become an established, sustainable and highly respected charitable foundation with assets in excess of \$1 million and a growing program of grants to community not-for-profits.

We were also sad to see Susan Grice step down as General Manager of Future2 after nine years of hard work and dedication to Future2.

Susan has been instrumental in the growth of Future2. The good news is, Future2 will rest in the safe hands of the FPA team. We will carry on her legacy proudly and continue to grow the organisation.

## Fundraising highlights

Donations from FPA members during membership renewals amounted to \$70,300

The 2015 Future2 Gala Dinner, held in Brisbane at the FPA Professionals Congress raised \$64,000 with the help of the Brisbane Chapter fundraising initiatives and corporate pledges

The 2015 Future2 Wheel Classic took a route from Sydney to Brisbane and raised \$125,000 after expenses from donations in support of the cyclists, and corporate sponsorship. The cyclists arrived to the opening reception of the FPA Professionals Congress.

## Grant making

In 2015, the Future2 Board increased grant funding by over 50%. The increase in funding is the result of generosity of financial planning professionals and many others connected with the profession.

The opening round for each year's *Make the Difference!* grants is eagerly awaited by hundreds of not-for-profits in Australia. Last year, 140 applications for funding were received, each endorsed by a local financial planner – a measure of their engagement with the communities in which they live and work.

In November 2015 Future2 awarded eight new *Make the Difference!* grants with a total value of \$152,000 over three years.



Steve Helmich



Future2 Wheel Classic riders arrive in Brisbane for the FPA Professionals Congress



Susan Grice



Future2 hikers rise to the Kilimanjaro Challenge

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*CONSUMER AWARENESS*

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MAKING IT

.....  
*happen*

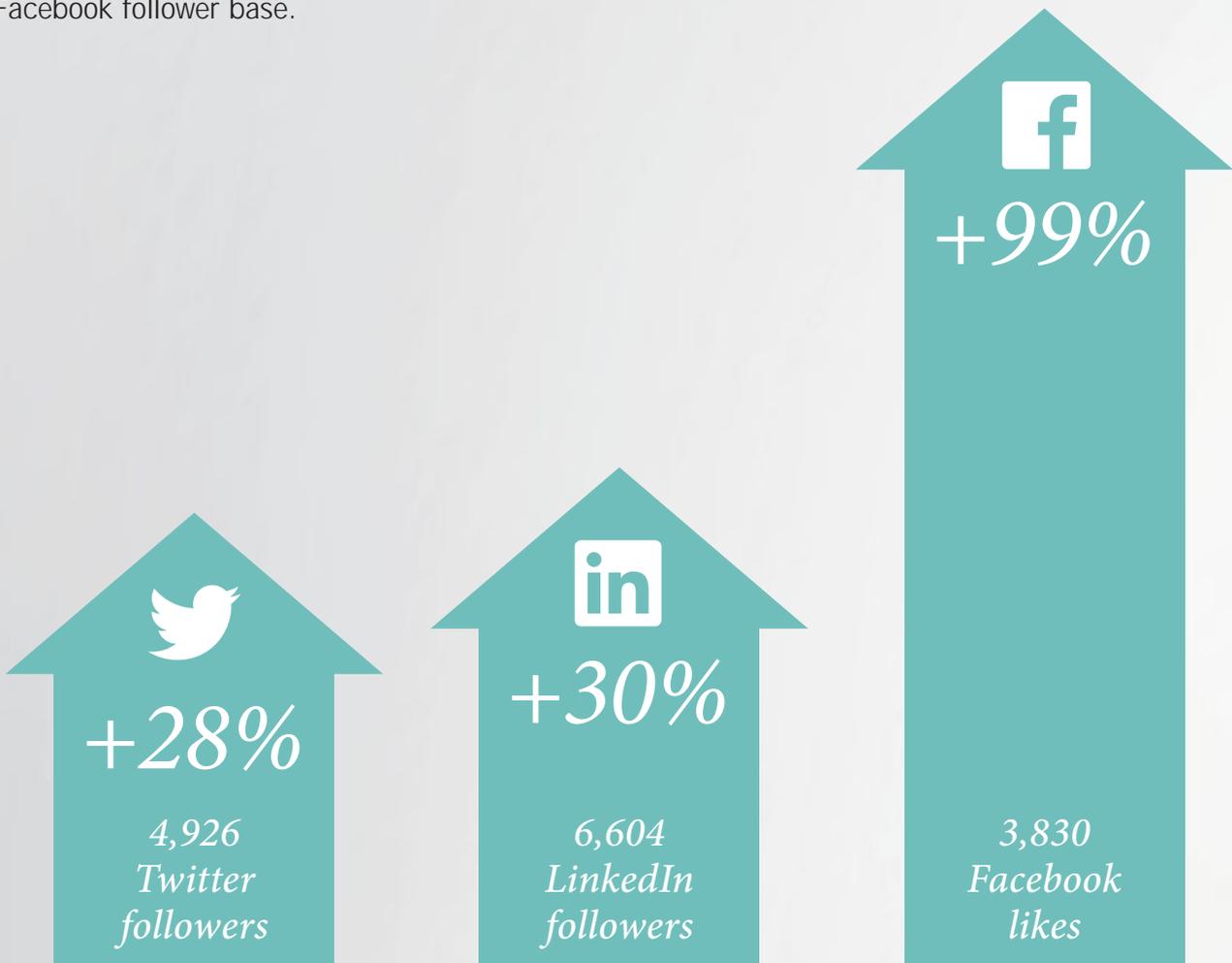
SOCIAL MEDIA

Through LinkedIn and Twitter, we have kept FPA members up to date on the latest developments, consulted with members on legislation and engaged members with FPA events. The introduction of *#AskDante* live Twitter chats with FPA CEO Dante De Gori has opened the lines of communication, to ensure members have more channels to reach out and share their valued feedback. This year we also implemented a LinkedIn campaign as part of our consumer advertising activities which has proved successful.

Throughout the year we used Facebook as a platform to provide Australians with financial tips. By putting spend behind blogs we are able to reach and engage the right audience. This has resulted in a greater awareness for the FPA brand and a rapidly increasing Facebook follower base.

Here are some highlights:

- LinkedIn company page followers increased by 30% to 6,604 followers
- Twitter followers increased by 28% to 4,926 followers
- Facebook likes increased by 99% to 3,830 likes
- By putting spend behind our Facebook posts, each post reached an average of 40,650 consumers compared to the previous year where the average post reach was 773 consumers
- *#FPACongress* conversation trended in Australia as the fifth most popular topic on Twitter.



## 10THOUSAND GIRL PARTNERSHIP

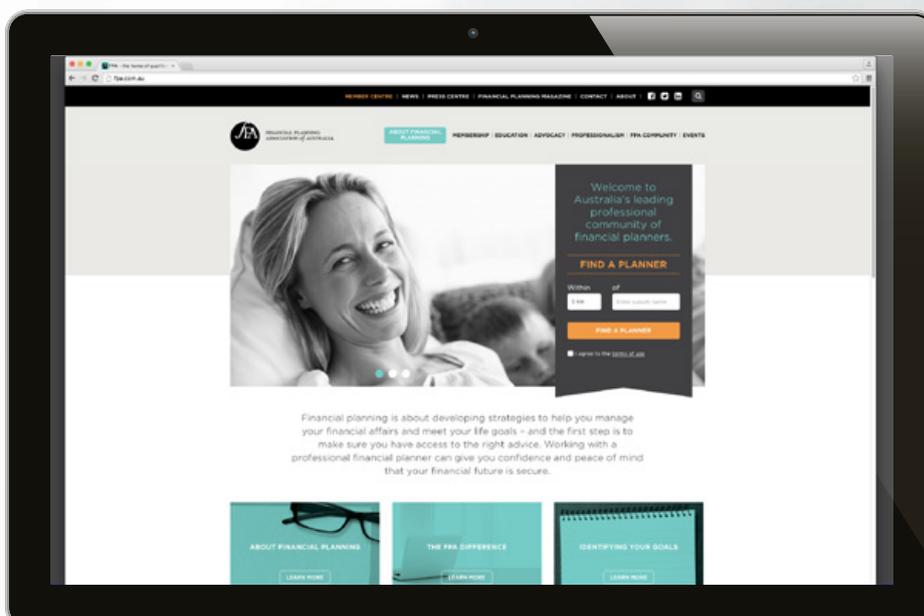
10thousand Girl is a not-for-profit social enterprise improving the financial wellbeing of women and families across Australia.

Last year, the FPA entered into a partnership with 10thousand Girl to support their 2015-17 Regional Women's Financial Literacy Project. The project includes a total of 16 regional workshops, 12 webinars and a downloadable toolkit.

Twelve workshops have been held to date, with the remaining four workshops scheduled in the coming months. We have received overwhelmingly positive feedback from those who attended the workshop and registered for the webinars. We would like to give a big thank you to FPA members who took part in this initiative and dedicated their time to support the campaign.

## NEW FPA WEBSITE

In November 2015, we combined the FPA member and consumer websites and launched a brand new one. The new website has enabled us to increase organic search engine visibility and create a better user experience for both members and consumers. The new website has been designed with a fresh look and feel, and is now fully mobile responsive.



*In 2016, we stepped up our efforts to raise consumer awareness of the CFP® designation, with an advertising campaign that reached 6 million consumers online nationally.*

## NATIONAL CONSUMER ADVERTISING

Funded by CFP® professionals, the campaign continued with the *It's all you need to know* message to ensure more Australians understand the credentials of a CERTIFIED FINANCIAL PLANNER® professional.

For the first time, we included exciting new elements, such as advertising in national magazines and mobile advertising.

As part of the campaign, CFP® professionals were provided with a full advertising toolkit to help them make the most of the campaign in their own marketing.

The toolkit included downloadable campaign artwork, a consumer brochure and the "*Good Advice Lock-up*", which CFP® professionals were encouraged to use on their marketing collateral and business stationery.



.....  
HIGHLIGHTS OF 3-MONTH CAMPAIGN  
.....

Reached a total of  
**6 million**  
consumers online

Online consumer reach  
**+25%**  
from last year

**22,800**  
Find a Planner searches

**50**  
print adverts ran in  
**44**  
national, metro and  
regional newspapers

**1,800**  
radio adverts ran on  
**41**  
national, metro and  
regional radio stations

A total of  
**41,000**  
clicks online



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA



CERTIFIED  
FINANCIAL  
PLANNER®

## IT'S ALL YOU NEED TO KNOW

A CERTIFIED FINANCIAL PLANNER® professional is internationally recognised for the highest education and ethical standards. So if you want financial advice, just look for a CFP® professional. You can find one today in your local area at [fpa.com.au](http://fpa.com.au)



CFP®, CERTIFIED FINANCIAL PLANNER® and CFP Logo® are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd (FPSB). Financial Planning Association of Australia Limited is the marks licensing authority for the CFP marks in Australia, through agreement with FPSB.

Press creative



Online creative (animated MREC)



Online creative (animated wide towers)

**PARTNERSHIP WITH MONEY MAGAZINE**

During 2015/16 we were delighted to form a 12-month partnership with *Money* magazine to build on our existing consumer activities. Through our partnership, we were able to spread our message to the magazine’s readers and other titles within the Bauer group (such as *The Australian Women’s Weekly* and *Real Living*).

The partnership covered a wide range of activities, including:

- A ‘money makeover’ series, featuring real-life client case studies
- Online and print advertising, driving traffic to Find a Planner
- Sponsorship of a *Money Masterclass* event, held in Sydney
- Editorial support from editor and regular TV personality, Effie Zahos

**FINANCIAL PLANNING WEEK**

In 2015/16 we held our 15th annual *Financial Planning Week*, a consumer campaign designed to raise awareness and understanding of the value of professional financial advice.

This year, we were able to reach more consumers and increase coverage of the campaign by leveraging partnerships with *10thousand Girl* and *Money* magazine. For the first time, we also enlisted FPA members as local ambassadors, who promoted the campaign on regional radio stations to increase reach.

Relevant blog content was developed and shared on social media for each of the five days. Each blog focused on a specific life stage (Financial planning 101, young to mid-life, mid-life, pre-retirees and retirees).

The signature element of the campaign was once again *Ask an FPA Expert*. A total of 24 FPA practitioner members participated in a panel to answer consumer questions about their finances. *Ask an FPA Expert* was promoted via Facebook advertising and our media relation campaign.



This year's campaign was digitally focused and resulted in the following outcomes:

**9,600+**

visits to Ask an  
FPA Expert forum

**1.4**  
*million*

people reached via  
Facebook campaign

**1,190**

views of planner profiles  
on Find a Planner

**6,300+**

visits to the FPA  
consumer blog

**55**

media pieces  
about Financial  
Planning Week

**15<sup>th</sup>**

annual Financial  
Planning Week

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*EDUCATION*

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ELEVATING  
.....  
*excellence*

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*Through thought leadership, stakeholder management and fostering high standards, we are securing the future for Australians and the professional financial planners who serve them.*

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The FPA is committed to lifting education standards in financial planning, and promoting financial planning as an academic discipline. During 2015/16, we placed much focus on promoting and enhancing the CFP® Certification Program and deepening our relationship with the academic community.

### CFP® CERTIFICATION PROGRAM

This year has brought an unprecedented focus on the education and professional standards of financial planners, creating heightened interest in the CFP® Certification Program by financial planners and their licensees.

*Enrolments into the program have grown by 43%, on the previous financial year. In Semester 1 2016, the program attracted over 950 enrolments; our largest semester since 2005.*

We continued to offer a 20% saving on enrolment for members employed by, or aligned to an FPA Professional Partner or FPA Professional Practice. Pre-admission remained complimentary for this community, and all FPA members.

We also took the decision to increase the flexibility of the program, and enable students to enrol into any unit of their choosing, from units CFP 1-4.

This change has been extremely well received, particularly by students wanting to fast-track completion by enrolling in our Summer Semester when CFP 1 and CFP 4 are offered.

The student experience remains a high priority. As such, we continued to capture feedback at the end of each semester and analyse the feedback to identify opportunities to enhance and ensure we are delivering an optimum student experience.

In 2015/16, we continued to offer a high level of student support and resources:

- Specialised webinars for all units, including the CFP Certification assignment and examination
- Access to study groups
- Student portal with access to subject matter experts and current online learning materials for all
- CFP Certification students
- Double marking of all assessment items not meeting the required standard
- Comprehensive feedback to students who have not met the standard.

## FINANCIAL PLANNING EDUCATION COUNCIL (FPEC)

During 2015/16, the FPEC accreditation process for approved degrees was recommended by the Parliamentary Joint Committee as the benchmark for the whole industry. A significant milestone, the recommendation is independent confirmation that the FPA definition of financial planning education should be the basis for all financial planners. We are awaiting the passing of the new draft legislation.

FPEC curriculum requirements mandate at least eight subjects within a degree covering the financial planning process, and underpinning legislation, insurance, investment, superannuation, commercial law, taxation, estate planning advice skills and financial plan creation. They include both ASIC and TPB requirements in preparing people for the CFP® Certification Program. To date, FPEC has audited nine Bachelor degree programs and seven postgraduate programs against its accreditation standards. In the current environment FPEC continues to liaise with Universities and engage with them to develop interest in the new opportunities that will arise from the new legislation as the degree requirements are embedded.

## STUDENT ENGAGEMENT

During 2015/16, student engagement became a key part of our focus in looking after the future of the profession. Our aim is to raise awareness of financial planning as a desirable career and grow the number of financial planning students in Australia. As part of this strategy, we've developed a comprehensive student brochure that outlines the opportunities that await with a career in financial planning, and the pathway to becoming a CERTIFIED FINANCIAL PLANNER® professional.

In addition to the development of marketing collateral, we also engaged in several University events and sponsored seven business student societies.

### Here are some highlights:

- 33 student engagement activities held in Semester 1, 2016 assignment and examination
- Student engagement activities were held across 13 Universities
- Sponsored and engaged with seven business student societies materials
- Successfully piloted exhibiting at *The Big Meet* careers fair
- *FPA University Student of the Year* award created and implemented
- FPA sponsored award implemented at each FPEC University

## ACADEMIC RESEARCH GRANTS

The FPA is committed to supporting academic research that furthers the financial planning profession. The Academic Research Grants recognise those that have demonstrated a commitment to encouraging the development of financial planning as an academic discipline in its own right.

During 2015/16, two winners were awarded the grant, with recipients from Deakin University and the University of Western Sydney (UWS). Recipients of the grants were awarded \$5,000 each to support the research they were doing to further grow relationships between the tertiary sector and the financial planning profession.

## THE FINANCIAL PLANNING RESEARCH JOURNAL

In December 2015, we partnered with Griffith Business School to publish the country's first academic journal dedicated to financial planning. This publication is an important step for the financial planning profession, reinforcing strong links between the FPA and the financial planning academic community. It also provides options for the publication of current research in the profession.

*The new journal is designed to provide a focal point for research around financial planning that can be used to inform debate and policy, and ultimately raise standards across the industry.*

We now have two editions of the journal available on the FPA website. The research journal has been lodged with the Australian Business Dean councils for review and classification. This is an important step in building recognition of the journal in the academic community.





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*GOVERNMENT ADVOCACY*

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An aerial, black and white photograph of a city street. The street is wide with multiple lanes, and several cars are visible. On the right side, there are tall, modern buildings with a grid-like facade. The overall perspective is from a high angle, looking down at the street.

DRIVING

.....

*change*

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*During 2015/16, the FPA advocated on a number of critical reform areas in financial planning. These included professional, ethical and educational standards; FoFA reforms; and the Life Insurance Framework (LIF).*

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Our advocacy efforts support the FPA vision to stand with Australians for a better financial future, and drive outcomes that are fair and workable for the financial planning profession.

Some of the outcomes we secured this year are:

Bipartisan political support of the *FPA 10 Point Plan*, reflected in the recommendations made by the PJC Inquiry into lifting education, professional and ethical standards in the financial services industry. These reforms are progressing towards implementation.

A more pragmatic approach to the *Life Insurance Framework*, including a grace period for policies applied for before (but issued within three months after) the framework starts.

#### EDUCATION AND PROFESSIONAL STANDARDS

On 19 December 2014, the Parliamentary Joint Committee (PJC) on Corporations and Financial Services released its report of its Inquiry into proposals to lift the professional, ethical and education standards in the financial services industry. The FPA provided two submissions to the PJC, and also appeared as a witness at a public hearing held as part of the Inquiry.

The reform package proposed by the PJC overwhelmingly reflected the recommendations made in the FPA submission and *FPA 10 Point Plan* we released in May 2014. Following the release of the PJC's report, Treasury released draft legislation. Following consultation, Treasury released a second – which at the time of writing is the latest draft. The FPA made submissions on both versions.

## FUTURE OF FINANCIAL ADVICE (FoFA)

The government has made minor amendment to the FoFA reforms, including an extension of the timeframe for advisers to send renewal opt-in notices and fee disclosure statements to retail clients, from 30 to 60 days.

Clients still have 30 days from the end of that new timeframe to opt-in and there is a further 30 days before fees must be switched off.

These amendments go some way to advancing the policy goal that regulation should be reasonably flexible to allow for time pressures on clients and financial planners.

## SUPERANNUATION REFORM

In line with its response to the Financial System Inquiry Reports, the Government initiated a number of consultations, including on the objectives of superannuation and the Productivity Commission's study of the competitiveness and efficiency of the superannuation system.

We have made written submissions to Treasury on the objectives of superannuation and met with Treasury to discuss the submission, advocating a lofty primary objective, namely 'to provide income and capital in retirement to provide a comfortable standard of living'. We have also sought to promote our preferred objective by advocating an approach to the Productivity Commission's study of competitiveness and efficiency of the superannuation system that focuses on retirees' standard of living rather than just traditional financial indicators such as fee levels and net risk-adjusted returns.

## LIFE INSURANCE REFORM

Prior to the 2016 federal election, the Government announced a reform package in response to challenges facing the life insurance industry. Draft legislation providing for maximum ratios of commission to base amount, for non-level commissions (including during a transition period); and a clawback period of two years, was released in December 2015. The draft was broadly in line with the *FPA Life Insurance Blueprint*, a package of industry-led reforms to drive a competitive, professional, and sustainable model for providing life risk advice.

The FPA has proposed a grace period for applications lodged before the new legislation starts (but where the policy is issued within three months of the new legislation starting). This amendment was included in the relevant Bill introduced to the parliament. The Bill was also broadly consistent with the Blueprint. However, the legislation lapsed when the 2016 election was called and no replacement has been introduced.

The Shadow Minister for Financial Services, Superannuation, Jim Chalmers, said Labor was broadly in support of the legislation introduced. However, Labor's concerns include the possibility of consumers being pressured to change policies after the clawback period. The FPA will continue to pursue a workable solution with the Government.

### TAX AGENTS SERVICES ACT (TASA)

Since 1 July 2014, financial planners have been required to meet the obligations of TASA. To help members understand the new requirements, this year we updated the TASA Toolkit which includes guidance booklet, webinars, videos, and FAQs.

We also participated in four consultation processes with the Tax Practitioners Board and Government to finalise, among other matters, the course requirements for financial planners. We secured the additional registration option of membership of a TPB recognised professional body which includes an exemption from the tax and commercial law course requirements for FPA voting members who meet the six in eight years' experience criteria. To this end, we provided the TPB with evidence and confirmation that we have continued to meet our obligations as a Recognised Tax Agent Association.

As part of the 2016 *FPA National Roadshow*, we spoke to financial planners about their options for renewing their registration with TPB, including under the exemption discussed above; or through completing tax and corporations law subjects (and having work experience; or a relevant qualification and work experience).

Further submissions will be made to the TPB in relation to proposed fact sheets about the TPB's Code of Professional Conduct, which also covers tax (financial) advisers. The fact sheets include guidance on the requirement that advisers act lawfully in the best interests of clients. Our preliminary concern, which we intend to raise with the Board, is that there is no guidance as to how financial planners should act in hard cases.

### FPA ADVOCACY KIT

Around Australia, there are 150 Members of Parliament, each representing an electorate of approximately 94,000 voters, and 76 senators. Each MP and senator has a right to vote on matters put before the Parliament.

*It is therefore vitally important that as many politicians as possible have a clear understanding of the key issues affecting financial planners and their clients.*

To assist with our advocacy efforts, the FPA from time to time develops advocacy kits to help members interact with local politicians and educate them on the important issues. The kits typically include a range of practical tools, such as factsheet templates. During 2015/16, we produced an advocacy kit based on a seven-point plan.

### The kit supports the following:

- The proposed professional standards and education requirements.
- FSI recommendations to strengthen product regulation; enhance ASIC powers; and rename 'general advice'.
- Amending the proposed ASIC funding model to better align an entity's fee with its risk and the scale of the business and delay the implementation of the model by a least 12 months due to the uncertainty about the distributions of costs (to ASIC) across the industry, once PJC and FSI recommendations are implemented.
- The proposed reduction in the concessional contributions cap – introduction of a retrospective \$500,000 non-concessional contributions cap and the removal of the tax exemption on earnings from assets supporting TTR income streams – being limited to an individual whose total superannuation balance has already reached the transfer balance cap of \$1.6 million.
- Making an initial financial plan and ongoing management fees, or annual retainer fees, expressly tax deductible.
- A review into the effectiveness and value of the retail, sophisticated, and wholesale investor definitions in the Corporations Act.
- Opposing the inclusion of financial planning/ advice in a Royal Commission to allow for the current reforms to be fully implemented and their effectiveness measured.

### GOVERNMENT PARTICIPATION

During 2015/16, we contributed to a number of key government and parliamentary Inquiries, including:

- Treasury Consultation on the Corporations Amendment (Professional Standards of Financial Advisers) Bill 2016
- Treasury Consultation on the Objective of Superannuation
- Senate Economics References Committee Financial System Inquiry into Penalties for White Collar Crime
- Senate Economics Legislation Committee Inquiry into Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016
- Senate Standing Committees on Economics Inquiry into the Economic Security of Women in Retirement
- Senate Standing Committees on Economics Inquiry into Corporations Amendment (Financial Advice) Bill 2014

During 2015/16, we also continued to represent members through participation in key Government committees and working groups.

Table 1: FPA Government committee participation

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
AML/CT Financial Consultative Forum	AUSTRAC	An industry forum to discuss issues and concerns regarding AML/CT obligations.
Superannuation Industry Advisory Group (SIAG)	Australian Taxation Office	A group focused on stewardship of the tax and superannuation systems. It commissions the Superannuation Industry Relationship Network (SIRN) to undertake work.
Superannuation Industry Relationship Network (SIRN)	Australian Taxation Office	A group designed to identify issues around the operations of the superannuation industry, and provide a forum for consultation.
Tax Practitioners Board Consultative Forum	Tax Practitioners Board	A forum for the TPB to discuss matters relating to its role in regulating tax advice with its Recognised Associations.
Tax Practitioners Board Financial Advice Stakeholder Forum	Tax Practitioners Board	A forum of key stakeholders for the TPB to discuss the regulation of financial advice under the Tax Agent Services Act.

During 2015/16, we produced 37 public submissions and numerous private submissions to Government, Treasury and ASIC, plus countless informal submissions and letters to Government and other stakeholders.

Table 2: Public submissions

MONTH	SUBMISSION
July 2015	<ul style="list-style-type: none"> <li>• Reforms to Superannuation Governance Review</li> <li>• Tax White Paper – Discussion Paper</li> <li>• FoFA Amendments Bill</li> <li>• Life Insurance Regulation- Consensus position established and published</li> </ul>
August 2015	<ul style="list-style-type: none"> <li>• General Advice Bill Inquiry</li> <li>• Capability Review of ASIC</li> <li>• Royal Commission into Trade Unions (default funds)</li> </ul>

MONTH	SUBMISSION
September 2015	<ul style="list-style-type: none"> <li>• Simplification of the SG charge</li> </ul>
October 2015	<ul style="list-style-type: none"> <li>• Government response to FSI</li> <li>• Government response to PJC recommendations</li> <li>• Industry funding model for ASIC (Treasury consultation)</li> <li>• Superannuation laws amendment (Unclaimed monies)</li> </ul>
November 2015	<ul style="list-style-type: none"> <li>• Senate Inquiry into the Economic Security of Women</li> <li>• Melbourne Professional Standards – with The Minister/Treasury Re: Finance Industry Standards</li> </ul>
December 2015	<ul style="list-style-type: none"> <li>• Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2015</li> <li>• Corporations Amendment (Professional Standards of Financial Advisers) Bill 2015</li> </ul>
January 2016	<ul style="list-style-type: none"> <li>• ASIC Consultation Paper 245</li> <li>• FSC Life Code</li> <li>• Treasury Super choice</li> </ul>
February 2016	<ul style="list-style-type: none"> <li>• The Fraser Governance Review</li> <li>• TPB Information Sheet TPB(I) D31/2015</li> <li>• Tax Discussion Paper</li> <li>• Pre-Budget Submission 2016/17</li> <li>• ABA Reference Checking Standards</li> </ul>
March 2016	<ul style="list-style-type: none"> <li>• Penalties for White Collar Crime Inquiry</li> <li>• Senate Economics Reference Committee – Life Insurance Framework Inquiry</li> <li>• ASIC CP 247 – Customer Remediation Programs</li> <li>• ASIC CP 251 – Financial Planner Exempt Documents C/O</li> <li>• ASIC CP 253 – Dollar Disclosure C/O</li> </ul>
April 2016	<ul style="list-style-type: none"> <li>• ASIC CP 255 – Product Disclosure Class Order Sun-setting</li> <li>• Scrutiny of Financial Advice – Life Insurance Inquiry</li> <li>• Study of Superannuation Competitiveness</li> <li>• Objectives of Superannuation – Treasury</li> </ul>
May 2016	<ul style="list-style-type: none"> <li>• Budget 2016/17</li> </ul>
June 2016	<ul style="list-style-type: none"> <li>• Corporations Amendment (Professional Standards of Financial Advisers) Bill 2016</li> <li>• ASIC Record keeping class order</li> </ul>

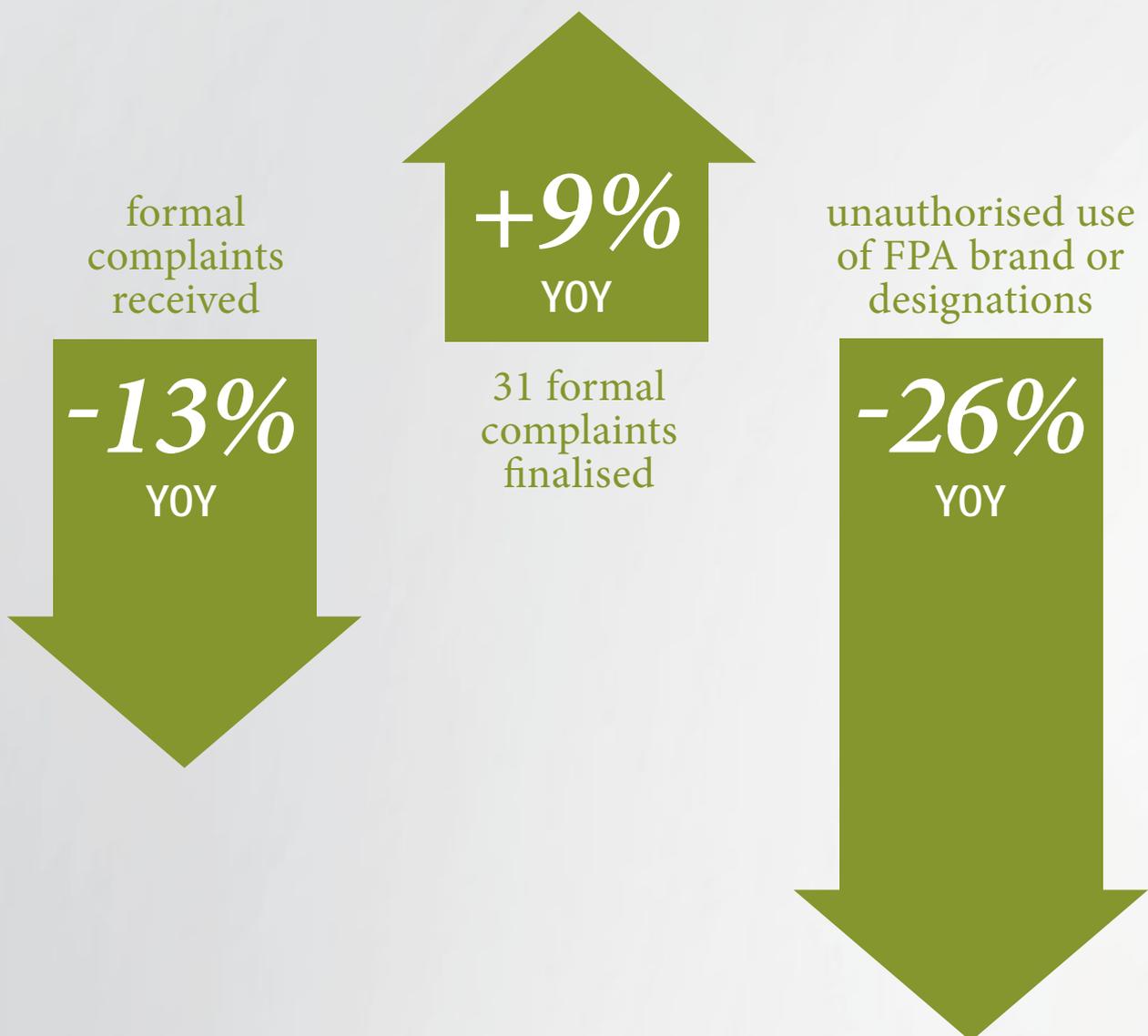
*PROFESSIONAL STANDARDS*





SETTING THE  
.....  
*standard*

*We remain committed to informing members and the community of the trends and outcomes of complaints and disciplinary action in the financial planning profession.*



In June 2016, the FPA Board approved changes to the FPA Disciplinary Regulation to improve the efficiency of our independent disciplinary process in the event of a complaint. These changes are part of our ongoing programs to ensure we continue to effectively support the interests of the public and the FPA membership. This Regulation came into effect for any complaint made or initiated from 1 July 2016.

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 investigation of a consumer complaint, although the FPA may initiate a complaint. The FPA Investigating Officer may report a suspected Breach(es) of the FPA's Code of Professional Practice to the Chair of the CRC. The Chair may then instruct the FPA to commence Disciplinary Proceedings by issuing a Notice of Disciplinary Breach to the Member for the alleged Breach(es).

A CRC Disciplinary Panel is formed to hear and determine the disciplinary action against the member. The Panel may impose sanctions for each breach proven against a member, ranging from reprimand through to professional education and supervision and expulsion in the most egregious matters.

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

- We received a total of 26 formal complaints, a 13% decrease from last year
- We finalised a total of 31 complaints, a 9% increase from last year
- As at 30 June 2016, we had three outstanding complaints, compared to eight at the same time last year

- We received a total of seven new FPA Confidential matters and finalised a total of 11

- We dealt with 64 instances of misuse or unauthorised use of either the FPA brand or AFP® or CFP® designations. This is a decrease of 26% from last year

- We conducted a total of 24 Advice Reviews as part of the Cbus Referral Program

- The CRC delivered a determination as a result of a Disciplinary Panel hearing held in the fourth quarter of the previous financial year. The Member was expelled and ordered to pay costs of the hearing. (*refer to Table 1*)

- The CRC instructed the FPA to commence Disciplinary Proceedings against two members. Both matters are expected to be finalised in the first half of the next financial year

- We automatically terminated the membership of five FPA members by operation of the Automatic Termination provisions of the FPA Constitution. (*Refer to Table 2*)

- We cancelled the Associate status of two individuals who were banned by ASIC. Note: These individuals were not a 'Member' nor were they subject of Automatic Termination provisions of the FPA Constitution (which provides for the FPA to publish their names as per *Table 2*).

We also responded to over 504 enquiries from members, consumers and other stakeholders in relation to professional standards related activity. It should be noted that ASIC banned 32 individuals from practising as financial planners and of these, only one was a member of the FPA.

Table 1: CRC Determinations

CASE NUMBER	MEMBER DETAILS	MEMBER NUMBER	EFFECTIVE DATE	MEMBER CATEGORY	SANCTION
CRC 2015_1	Robert Tomasello	13100	31 July 2015	CFP®	Expelled and costs of CRC Hearing

Table 2: Automatic Termination pursuant to FPA Constitution

MEMBER NAME	MEMBER NUMBER	EFFECTIVE DATE	MEMBER CATEGORY	CLAUSE	REASON
Carolyn Bindon	7083	03 Feb 2004*	Non-member^	3.7.1 (c) Nov 2001	Bankruptcy
Raghwa Prasad	334810	19 Aug 2015	CFP®	16.1 (e)	Banned by ASIC
Alfie Chong	13742	09 Jun 2014*	CFP®	16.1 (d)	Terminated by AFSL for breach of the law
Craig Read†	21315	08 Nov 2014*	CFP®	16.1 (b)	Bankruptcy
Dean Williams	336309	15 Jun 2016	CFP®	16.1 (c)	Knowingly fail to disclose material information in application

Note: The Effective Date refers to the date of the event triggering the Automatic Termination, rather than the date the FPA became aware of the event.

\* Trigger event occurred in a previous financial year

^ Was seeking to re-join FPA

† Reinstated by FPA Board in June 2016 pursuant to clause 16.3 of the FPA Constitution

## CPD & DESIGNATIONS AUDIT

This year, we continued our commitment to maintaining high professional development standards within the FPA membership.

We undertook two CPD audits, the first in September 2015 and the second in March 2016. The auditing process is primarily designed to help practitioner members meet their CPD obligations, and ensure correct use of FPA and FPSB branding.

During 2015/16, a total of 579 practitioner members were audited. The FPA works closely with members to obtain a favourable outcome in relation to a CPD Audit. If a member's CPD record is found to be in deficit, the member will be asked to prepare a plan to rectify the deficit and the member will be audited again in the next available audit. Where a member fails to respond to an audit, they will be selected automatically for the next audit. Failure to cooperate with the audit process will result in disciplinary proceedings being brought against the member.

The audit results for 2015/16 are as below:

*Table 3: Audit of Practitioner Members 2015/16*

MEMBERSHIP CATEGORY	SEPTEMBER 2015	MARCH 2016
<b>Financial Planner AFP®</b>		
Members audited	81	93
Members passed	78	82
<b>CFP® Professional</b>		
Members audited	207	198
Members passed	194	185



*FINANCIAL STATEMENTS*



BUILDING  
.....  
*on success*

*Financial Planning Association  
of Australia Limited*

(Limited by Guarantee)

**ABN 62 054 174 453**

*Financial Statements  
for the year ended 30 June 2016*

## *Financial Planning Association of Australia Limited*

ABN 62 054 174 453

### **DIRECTORS**

**N. Kendall**

*Chair*

**M. Broome**

**M. Brown**

**J. Matheson**

**D. Newton**

**M. O'Toole**

**P. Pledge**

**M. Rantall**

### **COMPANY SECRETARY**

**P. Lovett**

### **Registered Office**

Level 4

75 Castlereagh Street

Sydney NSW 2000

Telephone: 02 9220 4500

Facsimile: 02 9220 4580

### **Solicitors**

Kemp Strang

Level 17

175 Pitt Street

Sydney NSW 2000

### **Bankers**

National Australia Bank

330 Collins Street

Melbourne VIC 3000

### **Auditors**

Ernst & Young

200 George Street

Sydney NSW 2000

For the year ended 30 June 2016

## DIRECTORS

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



### Neil Kendall

CFP®, BBus, Dip FP, FFFPA, MAICD

CHAIR (from 19 November 2014)

*Appointed 26 November 2010*

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

Neil has won a national and two state FPA Value of Advice awards in 2006, as well as being a national finalist in 2009. He was nominated for Australian of the Year in 2011 and 2013. Neil was the Money Management Financial Planner of the Year in 2006 and runner-up in 2009. Neil has qualified in the Masterclass Top 50 in 2006, 2008, 2010 and 2012.

Neil was Treasurer of the FPA Brisbane chapter for four years, and also spent time on the Legislation and Regulation Committee. A CERTIFIED FINANCIAL PLANNER® 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 the Chair of the Remuneration and Succession Planning Committee of the Board and a Trustee of the Future2 Foundation.



### Mark Rantall

CFP®, CPA

ADDITIONAL DIRECTOR

*Appointed 1 March 2016*

Mark is a passionate CFP® professional, with a 25-year career in financial services. He served as CEO and Director of the FPA from 2010 to February 2016, spearheading the campaign to raise the standing of Australia's professional financial planners and build consumer trust in the profession. His drive and determination saw the FPA achieve many milestones in this journey.

Prior to the FPA, Mark had already spent several years at the forefront of an evolving profession. He 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.

Mark is currently a member of the Audit and Risk Management Committee of the Board, and a Trustee of the Future2 Foundation.



**Marisa Broome**

CFP®, Dip FP, B.Ec

*Appointed 19 November 2014*

Marisa is the Managing Director of Wealthadvice, an FPA Professional Practice operating in Sydney. Marisa has over 30 years' experience in financial services – with the last 18 years' running her own firm and practising as a financial planner.

Marisa is currently the Chair of the Policy and Regulations Committee of the Board and is the interim Chair of the Sydney Chapter. Marisa has been an active member of the FPA since its inception, being involved in national committees on Education, Annual Conferences and the Sydney Chapter.



**Matthew Brown**

CFP®, Dip FP, MAICD

*Appointed 18 November 2011*

Matthew is a CERTIFIED FINANCIAL PLANNER® and a Partner in MiQ Private Wealth, one of the largest private wealth planning groups in Australia and has over 27 years' experience in the financial planning profession. Matthew was elected to the FPA Board as a practitioner-elected member at the AGM in November 2011. Matthew is currently a member of the Board Audit and Risk Management Committee, the Governance and Remuneration Committee, and the Chair of the Regional Chapter Committee. Matthew has been an active member of the Gold Coast FPA Chapter since 2000, holding the role as Treasurer for five years and Chapter Chair of the Gold Coast since 2007.

Matthew is a CFP® Practitioner licensed through MiQ Private Wealth under Magnitude. Matthew is a Director on the Board of MiQ Private Wealth Pty Ltd and a Trustee of the Future2 Foundation Ltd, the charitable foundation of the Financial Planning Association. Matthew is a member of the Australian Institute of Company Directors.



**Bruce Foy**

B.Com, LL.B, FAICD

ADDITIONAL DIRECTOR

*Appointed 1 January 2006*

*Retired 31 December 2015*

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



**Julie Matheson**

CFP®, LRS®, BA, Dip FP

*Appointed 26 November 2010*

Julie is a non-executive director, committee member and chair, and an elected councillor with over 15 years of board-level experience across public, private and not-for-profit sectors – specifically focused on Australian financial services, local government, education and indigenous organisations.

Julie has been a practising member of the Financial Planning Association of Australia (previously IAFP) since 1989. Julie has more than 25 years' experience as a CERTIFIED FINANCIAL PLANNER® including roles as Director and Responsible Manager ensuring compliance with corporations law, audits, business development and governance.

Since joining the Board in 2006, her board committee responsibilities have included Audit and Risk, Chair of the Education and Member Services, Member Engagement, and Remuneration and Succession Planning Committee. These committees have engaged in the FPA's transition to be a strong advocate for the profession and the interests of consumers. Julie is the current Chair of the Professional Designations Committee (CFP® LRS®), and a member of the Governance and Remuneration Committee.



**Delma Newton**

CFP®, BEc, BBus, Dip FP

*Appointed 19 November 2014*

Delma has been a financial planner for over 20 years and has been a member of the FPA since 1995. She is a CERTIFIED FINANCIAL PLANNER® and holds degrees in Economics and Accounting. Delma runs her own Financial Planning business, Total Portfolio Management Pty Ltd.

Prior to being elected to the FPA board in 2014, Delma had served on the Brisbane Chapter Committee for over 10 years, five of these as Chapter Chair. Delma also served on the FPA Membership Committee. Delma's current role on the Board is as the Chair of the 2016 FPA National Congress.



**Mark O'Toole**

CFP®

*Appointed 18 November 2015*

Mark has over twenty-five years' experience in providing financial advice, including extensive experience working with executives in senior management roles. He established his own business in 1998 and continues to strive to provide high quality advice aligned with his clients' values and best interests.

Mark has been part of leading advice networks, including Deutsche Bank and Godfrey Pembroke. Within these networks Mark has played key roles as Chairman of both Deutsche Bank's financial advisory board and Godfrey Pembroke's Advisory Board. He is also a registered Tax Adviser with the Tax Practitioners Board of the Australian Government.

Mark attended The Stanford Graduate School of Business executive education program in California, USA in February 2013, is an Accredited Family Business Advisor at Family Business Australia, and a member of the Australian Institute of Company Directors. Mark is also currently a trustee for the Sunrise Foundation.



**Philip Pledge**

BEC, FCA

ADDITIONAL DIRECTOR

*Appointed 1 January 2009*

Philip became a Partner in one of the antecedent firms of Ernst & Young in 1966 and remained a Partner until his retirement from Ernst & Young in 2001. He practised in a range of disciplines over his career, with his special interests being in the field of transaction support and performance improvement. In these roles he was involved in a number of capital raisings by IPO and private equity.

His passion for corporate performance improvement was the skill that led to his promotion through the Ernst & Young organisation to be South Australian Managing Partner from 1979 to 1998 and National Chairman from 1992 to 1994. Philip has held a number of Board positions. Philip is the Chair of the Audit and Risk Management Committee of the Board.



**Pene Lovett**

COMPANY SECRETARY

*Appointed 31 October 2012*

## CORPORATE INFORMATION

### Corporate Structure

The Financial Planning Association of Australia Limited (“FPA” or the “Association”) is a company limited by guarantee and does not have share capital. The Association is incorporated and domiciled in Australia.

### Nature of Operations and Principal Activities

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

- represent members’ views to Government, regulators, media and other stakeholders, contributing to public policy and legislative decision-making which affects the financial planning profession
- establish, monitor and enforce high professional and ethical standards
- provide appropriate education and continuing professional development for the 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® brand in Australia
- raise the awareness of Australian consumers of the need for, and value of, professional financial advice.

## Review and Results of Operations

The FPA recorded a before-tax surplus of \$1,079,757 for the year ending 30 June 2016 (2015: surplus \$894,562) and an after-tax surplus of \$1,047,404 (2015: surplus \$444,544) increasing accumulated members’ funds to \$9,812,266 at 30 June 2016 (2015: \$8,764,862).

### Significant Changes

The significant changes that have occurred in the financial year to 30 June 2016 are as follows:

- a significant increase in member numbers and subsequent revenue without increasing our membership fees
- an increase in enrolment numbers into the CFP® program
- the increased provision of services to our members such as the annual roadshows
- an investment in student engagement at the university level by providing resources and collateral to encourage financial planning as a career
- the continuing investment made in the advertising campaign funded from members’ advertising levy contributions.

### Subsequent Events

There are no significant subsequent events that have occurred since the financial year ended 30 June 2016.

### Likely Developments and Expected Results

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

### Directors' and Senior Executives' Emoluments

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

### Directors' Meetings

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

#### *Directors' Meetings 2015-16*

	Eligible to attend	Number attended
Marisa Broome	6	5
Matthew Brown	6	6
Bruce Foy (to December 2015)	3	1
Neil Kendall	6	6
Julie Matheson	6	5
Delma Newtown	6	6
Mark O'Toole (from November 2015)	3	3
Philip Pledge	6	6
Mark Rantall	6	6

## **BOARD COMMITTEE MEMBERSHIP**

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

### **Audit and Risk Management Committee**

Philip Pledge (Chair), Matthew Brown CFP®

*Resigned:* Peter O'Toole CFP® FFPA (July 2015)

*Joined:* Mark Rantall CFP® (March 2016)

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

### **Governance and Remuneration Committee**

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

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

### **Policy and Regulations Committee**

Jason Bragger CFP®, Frank Camilleri CFP®, Adrian Hanrahan CFP®, Tim Mackay CFP®, Craig Meldrum AFP®, Peter Richards CFP®, Anne Graham CFP® LRS®, Nick Amore CFP®, William Johns CFP®

*Resigned:* Peter O'Toole CFP® FFPA (Chair) (August 2015), Elisha Forde CFP® (August 2015), Adrian Gervasoni CFP® (May 2016)

*Joined:* Marisa Broome CFP® (Chair) (August 2015), Sean Bradley CFP® (October 2015)

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

## **Professional Designations Committee**

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

*Resigned:* Robert MacLean CFP® AEPS® (June 2015)

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

## **Professional Standards and Conduct Committee**

Guyon Cates, Claire Mackay CFP®, Dacian Moses CFP®, Hanny Youcef AFP®, James Cotis CFP®

*Resigned:* Marisa Broome CFP® (Chair) Benjamin Marshan CFP® (February 2016), Heidi Nash-Smith (May 2016)

*Joined:* Heidi Nash-Smith (July 2015), Mark O'Toole CFP® (Chair) (February 2016), Adrian Gervasoni CFP®, Stephanie Nasonov, Jane O'Neil (May 2016)

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

## **Regional Chapter Committee**

Matthew Brown CFP® (Chair), Vicky Ampoulos, Petra Churcher AFP®, Susie Erratt CFP®, Gary Jones AFP® FFPA, Todd Kennedy CFP®, Steven O'Donoghue CFP®, Randall Stout CFP®

*Joined:* Mark Alexander CFP® (March 2016)

The Regional Chapter Committee met three times during the period under review.

### 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 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 2016 were \$13,933 (2015: \$11,799). This policy is renewed annually and the current policy expires on 31 March 2017.

### Indemnification of auditors

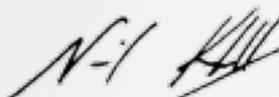
To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

### Corporate governance

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

Signed in accordance with a resolution of the directors.



Neil Kendall  
Director



Philip Pledge  
Director

Date: 28 September 2016  
Sydney, New South Wales

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



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

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

**Auditor's Independence Declaration to the Directors  
of Financial Planning Association of Australia Limited**

As lead auditor for the audit of Financial Planning Association of Australia Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva' in a cursive style.

Rita Da Silva  
Partner  
28 September 2016

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2	<b>13,045,739</b>	11,816,068
Employee benefits expenses	3(c)	<b>(4,980,445)</b>	(4,683,309)
Depreciation and amortisation expenses	3(a)	<b>(206,865)</b>	(229,596)
Conference, event, program and education expenses		<b>(3,362,642)</b>	(2,919,670)
Occupancy expenses	3(b)	<b>(412,027)</b>	(372,984)
Advertising and marketing expenses		<b>(921,401)</b>	(536,204)
Administration expenses		<b>(1,446,680)</b>	(1,240,683)
Other expenses		<b>(635,034)</b>	(643,043)
<b>Total expenses from operations</b>		<b>(11,965,094)</b>	(10,625,489)
<b>Surplus from operations</b>		<b>1,080,645</b>	1,190,579
Strategic advertising – net	3(d)	<b>(888)</b>	(296,017)
<b>Operating profit before income tax</b>		<b>1,079,757</b>	894,562
Income tax expense	5	<b>(32,353)</b>	(450,018)
<b>Operating profit for the year</b>		<b>1,047,404</b>	444,544
Other comprehensive income		–	–
<b>Total comprehensive income</b>	2	<b>1,047,404</b>	444,544

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

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	17	5,295,224	4,065,473
Trade and other receivables	6	188,694	194,737
Other current assets	7	13,361,245	13,779,132
<b>Total current assets</b>		<b>18,845,163</b>	18,039,342
<b>Non-current assets</b>			
Plant and equipment	9	75,280	140,395
Intangible assets	10	319,505	324,413
<b>Total non-current assets</b>		<b>394,785</b>	464,808
<b>Total assets</b>		<b>19,239,948</b>	18,504,150
<b>Current liabilities</b>			
Trade and other payables	11	2,199,930	2,194,093
Income tax payable/(receivable)	5	32,353	(328,673)
Provisions	12	276,130	265,806
Other liabilities	13	6,648,892	7,366,386
<b>Total current liabilities</b>		<b>9,157,305</b>	9,497,612
<b>Non-current liabilities</b>			
Provisions	12	270,377	241,676
<b>Total non-current liabilities</b>		<b>270,377</b>	241,676
<b>Total liabilities</b>		<b>9,427,682</b>	9,739,288
<b>Net assets</b>		<b>9,812,266</b>	<b>8,764,862</b>
<b>Members' funds</b>			
Retained earnings	8	9,812,266	8,764,862
<b>Total members' funds</b>		<b>9,812,266</b>	<b>8,764,862</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Note	Retained Earnings \$	Total Equity \$
<b>At 1 July 2014</b>		<b>8,320,318</b>	8,320,318
Total comprehensive income for the year		<b>444,544</b>	444,544
<b>At 30 June 2015</b>	8	<b>8,764,862</b>	8,764,862
Total comprehensive income for the year		<b>1,047,404</b>	1,047,404
<b>At 30 June 2016</b>	8	<b>9,812,266</b>	9,812,266

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from members and non-members		11,899,794	12,821,645
Payments to suppliers and employees		(11,701,522)	(11,940,637)
Interest received		450,720	398,602
Income tax refund/(paid)		328,673	(253,338)
<b>Net cash flows from operating activities</b>	17	<b>977,665</b>	1,026,272
<b>Cash flows from investing activities</b>			
Funds placed on term deposit – net of maturities		389,499	282,889
Purchase of plant and equipment		(9,316)	(32,292)
Purchase of intangible assets		(128,097)	(36,797)
<b>Net cash flows used in investing activities</b>		<b>252,086</b>	213,800
<b>Net increase in cash and cash equivalents</b>		<b>1,229,751</b>	1,240,072
Cash and cash equivalents at beginning of period		4,065,473	2,825,401
<b>Cash and cash equivalents at the end of the period</b>	17	<b>5,295,224</b>	4,065,473

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

For the year ended 30 June 2016

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *(a) Basis of preparation*

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

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

The financial report of the Association for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 28 September 2016.

### *(b) Statement of Compliance*

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

### *(c) New Accounting Standards and Interpretations*

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

The accounting policies adopted are consistent with those of the previous year, except for the following:

- AASB 2013-9 Conceptual Framework, Materiality, and Financial Instruments
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 *Materiality*

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### (c) *New Accounting Standards and Interpretations (cont'd)*

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

Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ended 30 June 2016. The Association is not intending to early adopt any of these standards. The assessment of the impact of these new standards and interpretations is outlined in the table below:

<b>Title</b>	<b>AASB 2014-4 <i>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)</i></b>
<b>Summary</b>	<p>AASB 116 <i>Property Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2016 and will therefore apply to the Association from 1 July 2016. The Association does not expect this Standard to have a significant impact on the financial statements of the Association.</p>
<b>Title</b>	<b>AASB 2015-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i></b>
<b>Summary</b>	<p>The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2016 and will therefore apply to the Association from 1 July 2016. The Association does not expect this Standard to have a significant impact on the financial statements of the Association.</p>

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]**

*(c) New Accounting Standards and Interpretations (cont'd)*

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

<b>Title</b>	<b>AASB 9 <i>Financial Instruments</i></b>
<b>Summary</b>	<p>AASB 9 (December 2014) is a new standard, which replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i>. This new version includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting.</p> <p>Under the new requirements, the four current categories of financial assets will be replaced by two measurement categories, fair value and amortised cost. AASB 9 is effective for annual periods beginning on or after 1 January 2018 and will therefore apply to the Association from 1 July 2018. The Association does not expect this Standard to have a significant impact on the financial statements of the Association.</p>
<b>Title</b>	<b>AASB 15 <i>Revenue from Contracts with Customers</i></b>
<b>Summary</b>	<p>AASB 15 replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related interpretations.</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>Step 1: Identify the contract(s) with a customer                  Step 2: Identify the performance obligations in the contract                  Step 3: Determine the transaction price                  Step 4: Allocate the transaction price to the performance obligations in the contract                  Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>The standard is effective for annual periods beginning on or after 1 January 2018 and will therefore apply to the Association from 1 July 2018. The Association is currently evaluating the impact of the new standard.</p>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### (c) New Accounting Standards and Interpretations (cont'd)

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

Title	AASB 16 Leases
<b>Summary</b>	<p>The key features of AASB 16 are as follows:</p> <ul style="list-style-type: none"><li>• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li><li>• A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.</li><li>• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments including inflation-linked payments, and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li><li>• AASB 16 contains disclosure requirements for lessees.</li></ul> <p>AASB 16 supersedes:</p> <ul style="list-style-type: none"><li>(a) AASB 117 <i>Leases</i></li><li>(b) Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i></li><li>(c) SIC-15 <i>Operating Leases-Incentives</i></li><li>(d) SIC-27 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i></li></ul> <p>The standard is effective for annual periods beginning on or after 1 January 2019 and will therefore apply to the Association from 1 July 2019. The Association is currently evaluating the impact of the new standard.</p>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

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

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

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

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

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

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

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(e) Plant and equipment*

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

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

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

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

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

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

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

### **Disposal**

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

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(f) Taxes*

#### **Income Taxes**

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

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

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

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

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

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

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

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

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

### *(g) Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position and for the purposes of the Statement of Cash Flows comprise cash at bank and on hand, short-term deposits and bank bills with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(h) Revenue recognition*

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

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

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

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

Revenue is recognised when the events take place.

#### **Interest**

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

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

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

#### **Financial guarantees**

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

### *(j) Trade and other receivables*

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectable 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]*****(k) Provisions***

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

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

***(l) Employee leave benefits***

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

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

The liability for long-service leave is recognised and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to 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 high quality corporate bonds, which have terms to maturity approximating the terms of the related liabilities are used.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(m) Members' funds*

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

### *(n) Leases*

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

#### **Association as a lessee**

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

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

Investments and other financial assets in the scope of AASB 139 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'.

#### **Loans and receivables**

This category includes trade and other receivables and term deposits in other current assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial asset. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method, less impairment.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT'D]

### *(p) Intangible assets*

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

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

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

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

Website development costs	4 years
Computer software	4 years

#### **Website development costs**

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

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

#### **Computer software**

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

### *(q) Comparative figures*

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

## 2. REVENUE

	2016 \$	2015 \$
Membership subscriptions	<b>7,830,735</b>	7,171,540
Conferences and seminars	<b>1,652,814</b>	1,646,141
CFP® course	<b>2,003,061</b>	1,507,919
CFP® certification	<b>541,515</b>	445,741
Specialist education	<b>28,900</b>	19,727
Continuing education	<b>469,134</b>	370,733
Interest received – non-related persons/corporations	<b>440,839</b>	477,754
Other revenue	<b>78,741</b>	176,513
<b>Total revenue</b>	<b>13,045,739</b>	11,816,068

### 3. EXPENSES

	2016 \$	2015 \$
<i>(a) Depreciation and amortisation expenses</i>		
Depreciation and amortisation of non-current assets		
Computer equipment	9,639	8,243
Furniture and fittings	6,376	5,611
Plant and equipment	2,246	2,345
Leasehold improvements	55,868	85,176
Intangible assets	132,736	128,221
<b>Total depreciation and amortisation of non-current assets</b>	<b>206,865</b>	<b>229,596</b>
<i>(b) Occupancy expenses</i>		
Minimum lease payments – operating lease	412,027	372,984
<b>Total occupancy expenses</b>	<b>412,027</b>	<b>372,984</b>
<i>(c) Employee benefits expenses</i>		
Wages and salaries	4,408,281	4,237,791
Workers' compensation costs	19,532	27,787
Superannuation costs	302,182	297,740
Staff training and recruitment	250,450	119,991
<b>Total employee benefits expenses</b>	<b>4,980,445</b>	<b>4,683,309</b>
<i>(d) Strategic Advertising – costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.</i>		
Advertising levies received	987,285	987,599
Advertising expenditure	(988,173)	(1,283,616)
<b>Net strategic advertising</b>	<b>(888)</b>	<b>(296,017)</b>

#### 4. AUDITORS' REMUNERATION

	2016 \$	2015 \$
Amount received, or due and receivable, by Ernst & Young for:		
An audit of the financial report of the Association	<b>48,410</b>	47,000
Other services – taxation	<b>14,000</b>	15,000
<b>Total auditor's remuneration</b>	<b>62,410</b>	62,000

#### 5. INCOME TAX

Income tax expense consists of:

	2016 \$	2015 \$
Current income tax	<b>64,863</b>	–
Deferred income tax	<b>(32,510)</b>	450,018
	<b>32,353</b>	450,018

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

Accounting surplus before tax from ordinary activities	<b>1,079,756</b>	894,562
At statutory income tax rate of 30 per cent	<b>323,927</b>	268,369
Net income derived from members not assessable	<b>(314,866)</b>	(315,820)
Expenditure not allowable for income tax purposes	<b>8,184</b>	3,796
Previously unbooked tax losses	<b>(32,510)</b>	–
Recognition of temporary differences	<b>47,618</b>	38,061
Derecognition of deferred tax assets	–	455,612
<b>Income tax expense attributable to operating surplus</b>	<b>32,353</b>	450,018

**5. INCOME TAX [CONT'D]**

	Opening balance at 1 July 2015	(charged)/credited to profit or loss	Closing balance at 30 June 2016
<b>Movements in deferred taxation</b>			
<b>Deferred tax assets</b>			
Deferred revenue	48,480	8,991	57,471
<b>Total deferred tax assets</b>	<b>48,480</b>	<b>8,991</b>	<b>57,471</b>
<b>Deferred tax liabilities</b>			
Accrued interest	(48,134)	(9,186)	(57,320)
Other	(346)	195	(151)
<b>Total deferred tax liabilities</b>	<b>(48,480)</b>	<b>(8,991)</b>	<b>(57,471)</b>
<b>Net deferred tax</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Opening balance at 1 July 2014	(charged)/credited to profit or loss	Closing balance at 30 June 2015
<b>Deferred tax assets</b>			
Employee provisions	34,360	(34,360)	–
Other provisions and accruals	34,558	(34,558)	–
Deferred revenue	375,648	(327,168)	48,480
Tax losses	26,915	(26,915)	–
Other	3,218	(3,218)	–
<b>Total deferred tax assets</b>	<b>474,699</b>	<b>(426,219)</b>	<b>48,480</b>
<b>Deferred tax liabilities</b>			
Accrued interest	(24,388)	(23,746)	(48,134)
Other	(293)	(53)	(346)
<b>Total deferred tax liabilities</b>	<b>(24,681)</b>	<b>(23,799)</b>	<b>(48,480)</b>
<b>Total deferred tax</b>	<b>450,018</b>	<b>(450,018)</b>	<b>–</b>

**Unrecognised deferred tax balances**

At 30 June 2016, deferred tax assets have not been recognised on deductible timing differences and tax losses totalling \$517,273 (2015: \$492,201) as it has been assessed that it is not probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised, in accordance with the tax accounting policy set out in Note 1(f).

## 6. TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Trade debtors (i)	17,319	34,682
Allowance for impairment loss (ii)	(1,338)	(694)
	15,981	33,988
Sundry debtors (iii)	172,713	160,749
<b>Total trade and other receivables</b>	<b>188,694</b>	<b>194,737</b>

### 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) An allowance for impairment loss is recognised when there is objective evidence that an individual debtor is impaired. No individual amount within the allowance for impairment is material.
- (iii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days, with the exception of accrued interest on term deposits, which are payable on maturity. These do not contain impaired assets and are not past due.

## 7. OTHER CURRENT ASSETS

Prepaid conference expenditure	299,923	237,767
Prepaid chapter expenditure	38,280	33,830
Other prepayments	99,740	194,734
Term deposits maturing between 4-12 months	12,923,302	13,312,801
<b>Total other current assets</b>	<b>13,361,245</b>	<b>13,779,132</b>

## 8. RETAINED EARNINGS

Balance at the beginning of the financial year	8,764,862	8,320,318
Total change in members' funds recognised in the Statement of Comprehensive Income	1,047,404	444,544
<b>Balance at the end of the financial year</b>	<b>9,812,266</b>	<b>8,764,862</b>

## 9. PLANT AND EQUIPMENT

	Computer equipment \$	Furniture and fittings \$	Plant and equipment \$	Leasehold improvement \$	Total \$
<b>Cost</b>					
Balance at 1 July 2014	115,190	47,019	97,148	614,859	874,216
Additions	7,151	25,141	–	–	32,292
Disposals	–	–	–	–	–
<b>Balance at 30 June 2015</b>	<b>122,341</b>	<b>72,160</b>	<b>97,148</b>	<b>614,859</b>	<b>906,508</b>
Additions	9,316	–	–	–	9,316
Disposals	(67,510)	(27,428)	(49,966)	(392,458)	(537,362)
<b>Balance at 30 June 2016</b>	<b>64,147</b>	<b>44,732</b>	<b>47,182</b>	<b>222,401</b>	<b>378,462</b>
<b>Accumulated depreciation and impairment</b>					
Balance at 1 July 2014	(91,205)	(28,501)	(86,329)	(458,702)	(664,737)
Depreciation	(8,243)	(5,611)	(2,345)	(85,176)	(101,375)
Disposals	–	–	–	–	–
<b>Balance at 30 June 2015</b>	<b>(99,448)</b>	<b>(34,112)</b>	<b>(88,674)</b>	<b>(543,878)</b>	<b>(766,112)</b>
Depreciation	(9,639)	(6,376)	(2,246)	(55,868)	(74,129)
Disposals	67,510	27,125	49,966	392,458	537,059
<b>Balance at 30 June 2016</b>	<b>41,577</b>	<b>(13,363)</b>	<b>(40,954)</b>	<b>(207,288)</b>	<b>(303,182)</b>
<b>Net book value</b>					
As at 30 June 2015	22,893	38,048	8,472	70,982	140,395
<b>As at 30 June 2016</b>	<b>22,570</b>	<b>31,369</b>	<b>6,228</b>	<b>15,113</b>	<b>75,280</b>

As at 30 June 2016, the gross amount of fully depreciated fixed assets still in use was \$59,245 (2015: \$823,486).

## 10. INTANGIBLE ASSETS

	Website development \$	Computer software \$	Total \$
<b>Cost</b>			
Balance at 1 July 2014	316,062	692,100	1,008,162
Additions	21,670	15,127	36,797
Disposals	–	–	–
<b>Balance at 30 June 2015</b>	<b>337,732</b>	<b>707,227</b>	<b>1,044,959</b>
Additions	77,220	50,877	128,097
Disposals	(232,773)	(339,448)	(572,221)
<b>Balance at 30 June 2016</b>	<b>182,179</b>	<b>418,656</b>	<b>600,835</b>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2014	(266,089)	(326,236)	(592,325)
Amortisation	(39,246)	(88,975)	(128,221)
Disposals	–	–	–
<b>Balance at 30 June 2015</b>	<b>(305,335)</b>	<b>(415,211)</b>	<b>(720,546)</b>
Amortisation	(63,230)	(69,505)	(132,735)
Disposals	232,773	339,178	571,951
<b>Balance at 30 June 2016</b>	<b>(135,792)</b>	<b>(145,538)</b>	<b>(281,330)</b>
<b>Net book value</b>			
As at 30 June 2015	32,397	292,016	324,413
<b>As at 30 June 2016</b>	<b>46,387</b>	<b>273,118</b>	<b>319,505</b>

As at 30 June 2016, the gross amount of fully amortised intangible assets still in use was \$4,918 (2015: \$546,678). No impairment losses were recognised during 2016 or 2015.

## 11. TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Trade creditors and accruals (i)	1,819,778	1,755,464
GST payable	380,152	438,628
<b>Total trade and other payables</b>	<b>2,199,930</b>	<b>2,194,093</b>

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

## 12. PROVISIONS

	Restoration of leased properties \$	Annual leave \$	Long service leave \$	Total \$
<b>Balance at 1 July 2015</b>	139,158	265,806	102,518	507,482
Arising during the year	–	233,018	138,565	371,583
Utilised	–	(239,476)	(15,115)	(254,591)
Unused amounts reversed	–	–	(77,967)	(77,967)
<b>Balance at 30 June 2016</b>	<b>139,158</b>	<b>259,348</b>	<b>148,001</b>	<b>546,507</b>
<b>Current 2016</b>	–	259,348	16,782	276,130
<b>Non-current 2016</b>	139,158	–	131,219	270,377
	<b>139,158</b>	<b>259,348</b>	<b>148,001</b>	<b>546,507</b>
Current 2015	–	265,806	–	265,806
Non-current 2015	139,158	–	102,518	241,676
	139,158	265,806	102,518	507,482

### 13. OTHER LIABILITIES

	2016	2015
	\$	\$
<b>Current</b>		
Income in advance:		
Conference income and seminar fees	340,928	418,001
Education fees	611,354	547,707
Membership subscriptions	4,890,445	5,492,907
Advertising levies	656,280	858,803
Chapter income	62,067	27,550
Other income	83,600	330
<b>Total income in advance</b>	<b>6,644,674</b>	<b>7,345,298</b>
Lease incentive	4,218	21,088
<b>Total other liabilities</b>	<b>6,648,892</b>	<b>7,366,386</b>

### 14. COMMITMENTS FOR EXPENDITURE

	2016	2015
	\$	\$
<b>Operating lease commitments – Association as lessee</b>		
Future minimum rentals payable under non-cancellable operating leases at balance date but not recognised as liabilities are:		
No later than one year	389,980	376,759
Later than one year but not later than five years	1,670,033	95,268
<b>Aggregated lease expenditure contracted for at balance date</b>	<b>2,060,013</b>	<b>472,027</b>

The disclosures above include operating lease commitments expected under a new lease agreement which was being negotiated as of 30 June 2016, however is expected to be finalised on 30 September 2016.

## 15. EMPLOYEE BENEFITS AND SUPERANNUATION CONTRIBUTIONS

	2016	2015
	\$	\$
<b>Employee benefits</b>		
The aggregate employee entitlement liability is comprised of:		
Accrued wages, salaries and on-costs	<b>63,999</b>	48,007
Provisions (current)	<b>259,348</b>	265,806
Provisions (non-current)	<b>131,219</b>	102,518
Accrued superannuation	<b>46,174</b>	49,455
Performance bonuses	<b>313,244</b>	378,447
	<b>813,984</b>	844,233

### 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. Contribution by the Association of up to 9.5% of employees' wages and salaries is 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.

## 17. CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
<b>(i) Reconciliation to Statement of Cash Flows</b>		
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	4,295,224	2,565,473
Short-term deposits	1,000,000	1,500,000
	<b>5,295,224</b>	<b>4,065,473</b>
<b>(ii) Reconciliation of operating profit after income tax to net cash flows from operations</b>		
Operating profit from ordinary activities after income tax	1,047,404	444,544
<b>Non-cash items</b>		
Depreciation and amortisation	206,865	229,596
Net loss on disposal of plant and equipment and intangible assets	571	–
Bad debt expense/(recovery)	644	(9,974)
<b>Change in operating assets and liabilities</b>		
Decrease in trade and other receivables	5,399	420,316
Decrease in other current assets	28,388	43,498
Decrease in deferred tax assets	–	450,018
Increase/(decrease) in trade and other payables	5,838	(244,090)
Decrease in current provisions	10,324	1,561
Increase/(decrease) in current tax liabilities	361,026	(253,338)
Decrease in other current liabilities	(717,494)	(37,260)
Increase in non-current provisions	28,701	2,489
Decrease in other non-current liabilities	–	(21,088)
<b>Net cash flows from operating activities</b>	<b>977,665</b>	<b>1,026,272</b>

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 [CONT'D]

### (iii) Assets pledged as security

Included in the balance of short-term deposits is \$282,801, 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 setup of the corporate card facility with National Australia Bank.

## 18. RELATED PARTY DISCLOSURES

### Directors

The names of persons who were directors of the Financial Planning Association of Australia Limited during or part of the year are as follows:

M. Broome	D. Newton
M. Brown	M. O'Toole (appointed on 18 November 2015)
B. Foy (retired on 31 December 2015)	P. Pledge
N. Kendall	M. Rantall
J. Matheson	

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

## 19. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	Directors		Executives	
	2016 \$	2015 \$	2016 \$	2015 \$
Short-term	<b>830,117</b>	772,023	<b>569,741</b>	858,755
Post-employment	<b>34,407</b>	37,921	<b>54,125</b>	91,110
<b>Total</b>	<b>864,524</b>	809,944	<b>623,866</b>	949,865

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

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [CONT'D]

### 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 deposit 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:

	2016 \$	2015 \$
<b>Financial assets</b>		
Cash in bank	<b>4,295,224</b>	2,565,473
Term deposits	<b>13,923,302</b>	14,812,801
	<b>18,218,526</b>	17,378,274

At 30 June 2016, 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:

	<b>Post-tax Profit – Higher/(Lower)</b>	
	2016 \$	2015 \$
<b>Judgements of reasonably possible movements</b>		
+1% (100 basis points)	<b>182,185</b>	173,783
+0.5% (50 basis points)	<b>91,093</b>	86,891
-0.5% (50 basis points)	<b>(91,093)</b>	(86,891)
-1% (100 basis points)	<b>(182,185)</b>	(173,783)

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

## **21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [CONT'D]**

### **Credit Risk**

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

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

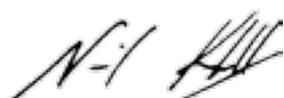
## DIRECTORS' DECLARATION

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

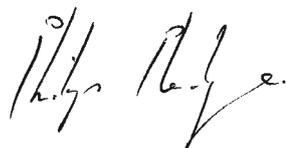
In the opinion of the directors:

- 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 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*; and
- b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.
- c. 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



Neil Kendall  
Director



Philip Pledge  
Director

Date: 28 September 2016  
Sydney, New South Wales



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## **Independent auditor's report to the members of Financial Planning Association of Australia Limited**

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 2016, 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.

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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.

### **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 2016 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

28 September 2016

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