



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

ANNUAL REPORT

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**THROUGH OUR MEMBERS, WE
STAND WITH AUSTRALIANS FOR
A BETTER FINANCIAL FUTURE**



“

I believe there is much to be optimistic about as the evolution of our profession unfolds.

”

MARISA BROOME CFP®
FPA CHAIR

CHAIR'S REPORT

I feel the responsibility greatly, but know I am very privileged to be trusted by you, our members, to steer our association through the most complex of times.

I especially want to acknowledge all those who have gone before me. The dedication and wisdom of our past board directors and executive team has guided the path for financial planning to evolve into a true profession. Their personal support of me has been unquantifiable and appreciated.

I would particularly like to thank my predecessor, Neil Kendall CFP®. Neil's leadership throughout his four-year term as FPA Chair and further four years as FPA director prior, has taken us in extraordinary leaps and bounds. Neil is someone who truly leads by example and genuinely walks his absolute belief that we as financial planning professionals make a meaningful, positive difference in the lives of our clients. I am both honoured and humbled to have the opportunity to follow him in the role as Chair.

COMMITMENT TO ETHICS

Over the past 12 months, the FPA has been involved in a landmark initiative to help our members meet the new mandatory code monitoring obligations that come into force in 2020.

In December 2018, FPA led six major professional associations representing the financial planning/advice sector in a historic cooperation agreement to develop a code monitoring solution for the financial planning profession called Code Monitoring Australia (CMA).

The aim was to develop a compliance scheme run by financial planners for financial planners with the clear benefit of better quality advice for all Australians. A final application was lodged with ASIC on 16 August 2019 for CMA to become an approved code monitoring scheme for the FASEA Code of Ethics.

We were very disappointed to learn of the Government's decision to not proceed with code monitoring. The Government confirmed it will progress a single disciplinary body as recommended by Commissioner Hayne in the Financial Services Royal Commission in place of code monitoring.

As a result, the FPA has withdrawn the application for CMA to become an approved code monitoring scheme. We will work with the Government on establishing its new disciplinary body and ensuring FPA members' interests are represented.

SUPPORTING MEMBERS

I want to thank every member and affiliate of the FPA. This is not just for the support of me and the FPA team, but especially for the support you have shown each other. It is more important than ever to look out for each other and come together as a community.

As I am dedicated to walking this path with you, so too is the wider FPA team.

We are working hard to provide you with as many valuable tools and services as possible, to help you in this difficult environment.

There is great opportunity for the FPA to be even more proactive in our advocacy efforts on behalf of our members and the Australian public. I am passionate about ensuring we remain as transparent as possible in the work we do to represent the membership and to share our efforts, outcomes and achievements. This is my commitment to you.



MARISA BROOME CFP®
FPA CHAIR

“

I am encouraged by the resilience and optimism members have shown. Together, we are meeting the challenges and forging ahead.

”

DANTE DE GORI CFP®
FPA CHIEF EXECUTIVE OFFICER

It has been a defining year for financial planning. The raising of standards and the advancing of change is absolutely necessary, but at the same time it hasn't been an easy road.

I acknowledge the level of disruption and stress many FPA members have experienced this year. I am also encouraged by the resilience and optimism members have shown. Together, we are meeting the challenges and forging ahead.

The emerging framework for financial planners, in tandem with the outcomes of the Financial Services Royal Commission, are reshaping the way advice is delivered – ensuring financial planners continue to help Australians achieve peace of mind and clarity about their financial futures. These reforms will go a long way to restore community trust, rebuild morale and redefine the way we do business.

I have personally committed to leading the FPA in joint advocacy efforts with our related associations, the Association of Financial Advisers (AFA) and SMSF Association. I invited both CEOs to attend our FPA Professionals Congress and FPA National Roadshow this year. Also the FPA and AFA jointly represented our respective members at meetings with both the previous Minister and the current Minister, Senator Jane Hume, as well as embarking on a 'one message, many voices' campaign in our advocacy efforts.

ADVOCACY EFFORTS

Over the course of this year, we began to finally see some clarity and detail to the reforms across education and professional standards for financial planners.

The Financial Adviser Standards and Ethics Authority (FASEA) put forward numerous legislative instruments for consultation.

The FPA worked diligently to review the details and impacts of each, and where necessary, we have stridently advocated for the final standards and implementation timelines to be fair and practical.

There is more work to do, and we will continue to proactively respond to FASEA on behalf of FPA members to ensure the best outcomes for Australians seeking financial advice, and our members who deliver that advice.

FPA'S STRATEGIC PROGRESS

This year we made significant progress against our FPA LASER 2020 strategic plan, including:

Leadership

A huge focus has been supporting FPA members through the FASEA transition.

In March 2019, we launched FPA Return to Learn to reduce the confusion regarding FASEA's education requirements. The portal offers easy access to accurate information on education pathways, study credits and how to prepare for the financial adviser exam.

We also fought hard to ensure previous experience and studies by existing financial planners was fairly acknowledged in the education standards.

Back in December 2017, 91% of FPA members would have needed to complete a Graduate Diploma (eight subjects) under the original FASEA framework, according to 2018 FPA research. This would have put an enormous strain on members. Now, under the final FASEA framework, only 5% of FPA members need to complete eight subjects.

CEO'S REPORT

We also welcomed the news of the CFP® Certification Program (five education units) becoming the first professional designation education program to qualify for recognition of prior learning credits by FASEA.

Awareness

2018 Investment Trends Financial Advice Report estimates half of the Australian population (51%) has an unmet advice need. The demand is there, but the challenge has been determining how best to bring consumers and financial planners together.

Building on the success of the FPA's existing *Find a Planner* tool, this year we launched a new online service to do just that.

Based on consumer research, *FPA Match My Planner* is an intuitive and meaningful service to help consumers interact with a financial planner in a safe environment where they can control the conversation without feeling committed, in order to choose a financial planner to suit their needs.

I'm very excited about this tool and the potential to really close the information gap that seems to prevent a consumer from taking that next step towards seeing a financial planner.

Standards

Maintaining certification and ongoing standards of FPA members is a priority. This year we have been developing a new centralised solution to help members meet all of their continuing professional development (CPD) requirements, as well as track their progress. Named *My CPD*, this solution is set to become a game changer in the CPD market. Stage one was launched in July 2019 on the *FPA Learn* education platform.

Engagement

Considerable energy and effort has been put into encouraging and enabling more students to choose a career in financial planning.

We successfully trialled a brand new event series, *Careers in Financial Planning* across five capital cities and the response was extremely positive with close to 300 attendees.

Recognition

FPA members are committed to giving back to the community and this manifests strongly through support of the FPA's charitable foundation, Future2. This year, Future2 celebrated the milestone of committing \$1 million in grants to programs, since it began in 2007. These grants contribute towards life-changing projects to help young Australians experiencing social, financial or physical hardship.

TOGETHER WE ARE STRONGER

Throughout the year, we have encouraged FPA members to prioritise their wellbeing and reach out if they need more support to navigate the changes affecting all of us in different ways.

I have witnessed the support and care that members have shown each other as well. Members have come together at FPA events for professional development, but more importantly to connect with their peers.

We also launched *FPA Wellbeing*, a free service providing confidential support by qualified counsellors and psychologists for FPA practitioner members, amid unprecedented change in our profession.

Thank you to each and every one of our 14,000 FPA members for surviving and thriving this year.



DANTE DE GORI CFP®
FPA CEO

MEMBERS AND PROFESSIONAL COMMUNITY

 14,125 STRONG MEMBERSHIP	 1,530 NEW MEMBERS
 1,400 CONGRESS DELEGATES	 FPA FEMALE MEMBERSHIP GREW TO 27%
 4,000+ NATIONAL ROADSHOW REGISTRANTS	 123 MEMBER EVENTS 2018/19

NEW MEMBER RESOURCES

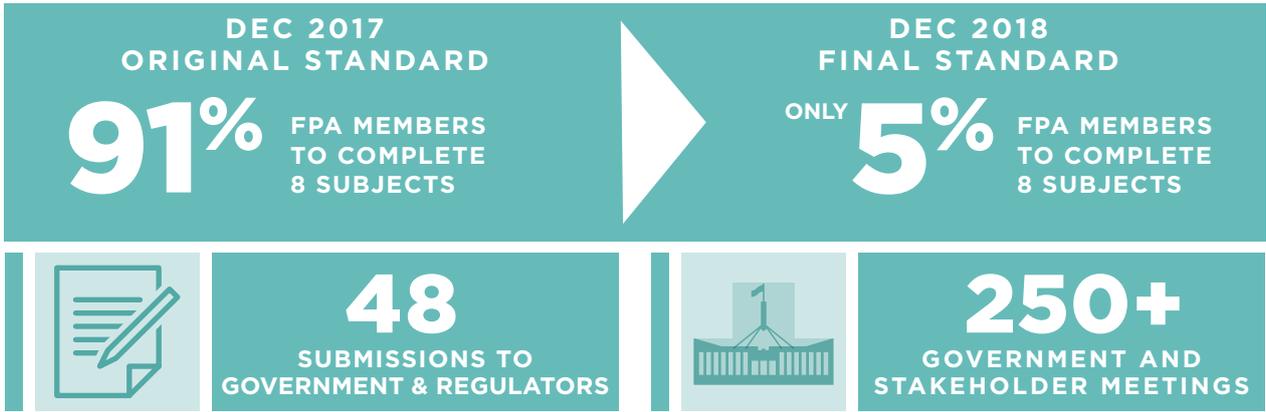
			
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FPA RETURN TO LEARN | FPA WELLBEING | MATCH MY PLANNER APP
DIGITAL MEMBER BADGE | UNDERSTANDING FASEA CODE OF ETHICS BOOKLET
ROYAL COMMISSION WRAP | FINTECH BUYERS GUIDE | CAREERS EVENTS

CFP® CERTIFICATION PROGRAM AND CPD

 5,724 CFP® PROFESSIONALS	 181,360 CFP® PROFESSIONALS WORLDWIDE
263 ADMITTED THIS YEAR	 3,088 CPD HOURS ACCREDITED
	 6,000+ WEBINAR VIEWS

FPA'S ADVOCACY ACHIEVED FAIRER FASEA EDUCATION STANDARD:



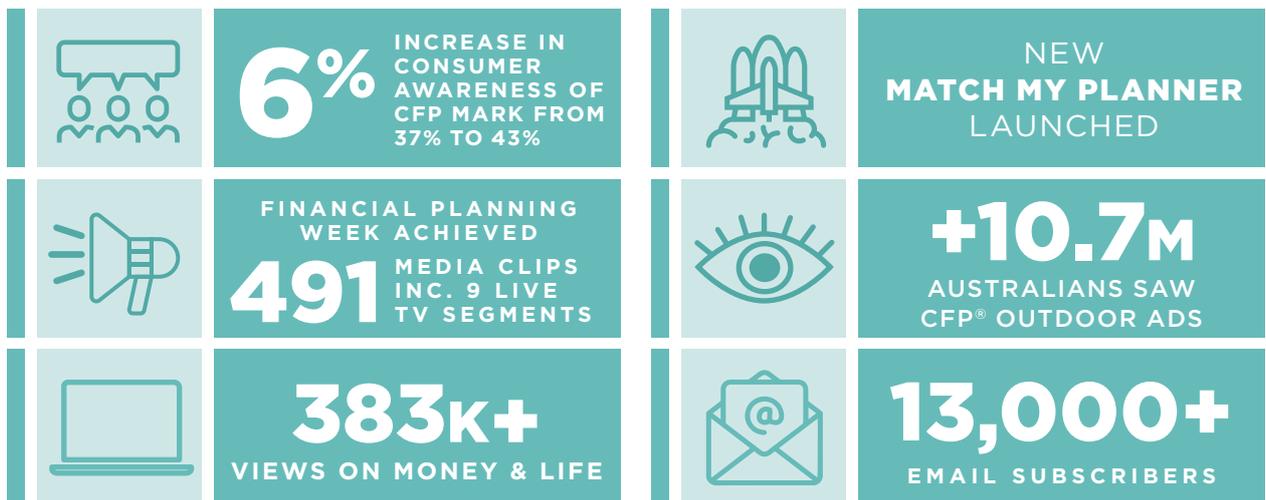
PROFESSIONAL STANDARDS
OF 24 ASIC BANS, ONLY TWO WERE FPA MEMBERS



SERVICE TO THE COMMUNITY



CONNECTING WITH CONSUMERS



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

FPA CHAIRS

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

FPA PRESIDENTS

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

FPA CEOS

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

FPA LIFE MEMBERS

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

FPA FELLOWS

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

Rodney Lavin CFP®
Paul Lawrence
Wayne Leggett CFP®
Stefan Lipkiewicz AFP®
Gary Lucas CFP®
William Mackay CFP®
Tim Marshall
Philip Mason-Cox CFP®
Wes McMaster CFP®
Ian Mein CFP®
Craig Meldrum AFP®
Laura Menschik CFP®
Wayne Moriarty CFP®
Delma Newton CFP®
Peter Nonnenmacher CFP®
Peter O’Toole CFP®
Suren Pather CFP®
Kyle Pearson CFP®
Rob Pyne CFP®
Ian Redpath
Peter Roan CFP®
David Rosenberg CFP®
David Rowlands
Nigel Sands CFP®
Colin Scully
Rod Scurrah
Mark Spiers CFP®
Anthony Stedman CFP®
Nigel Stewart AFP®
Dean Stokes CFP®
Randall Stout CFP®
Chris Taylor
Stephen Wait CFP®
Lyn Walker CFP®
Owen Weeks CFP®
Timothy George White
Simon Wu CFP®

DISTINGUISHED SERVICE AWARDS

2019

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

2018

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

2017

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

2016

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

2015

Paul Brady CFP®
 Patrick Canion CFP®

2014

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

2013

Dr Mark Brimble
 Scott Hay-Bartlem

2012

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

2011

Pippa Elliott CFP®
 Bev Ferris CFP®
 Sandy Hopps CFP®
 Gary Jones AFP®
 Colleen 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

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

FPA CFP® Professional of the Year



- Michael Carmody CFP®** 2018
- Michael Hayward CFP® 2017
- Tony Sandercock CFP® 2016
- Christopher Smith CFP® 2015
- Randall Stout CFP® 2014
- James Kenny CFP® 2013
- Michelle Tate-Loverly CFP® 2012

FPA Financial Planner AFP® of the Year



- Felicity Cooper AFP®** 2018
- Patricia Soares Garcia AFP® 2017
- Cody Harmon AFP® 2016
- John Molnar AFP® 2015
- Stephen Godfrey AFP® 2014
- Mark Milner AFP® 2013
- Shane Lenehan AFP® 2012

FPA Professional Practice of the Year



- Wotherspoon Wealth** 2018
- Capital Partners Private Wealth Advisers 2017
- ipac Western Australia 2016

FPA Paraplanner of the Year



- Kearsten James CFP®** 2018
- Adriana Brink AFP® 2017
- Cynthia Sercombe CFP® 2016

Community Service Award supported by Future2



Zacary Leeson CFP®	2018
Reuben Zelwer CFP®	2017
Kathy Havers CFP®	2016
Christopher Moore CFP®	2015
Kathy Havers CFP®	2014
Jeremy Gillman-Wells CFP®	2013
Mark O’Leary CFP®	2012

FPA University Student of the Year



Mary Hadgis	2018
Azaria Bell	2017
Bradley Aleckson	2016
Natalie Cross	2015

Gwen Fletcher Memorial Award

Awarded to the highest-achieving student in the CFP® Certification Program each semester. The award honours the memory of the late ‘First Lady of Financial Planning’ and her lifelong endeavours to champion professionalism within financial planning.



Semester 1

Raquel Netto AFP®	2019
Erica Cummins CFP®	2018
Bronwyn Abraham CFP®	2017
Claire McGregor CFP®	2016
John Moran CFP®	2015
Erin Coyle CFP®	2014



Semester 2

John Dacker AFP®	2018
Michael Forer AFP®	2017
Cameron Obliubek CFP®	2016
Sunitha Chamala CFP®	2015
Amy Early CFP®	2014



**MEMBERS AND
PROFESSIONAL
COMMUNITY**

As Australia's leading professional association for financial planners, the Financial Planning Association (FPA) represents the interests of the public and over 14,000 members. Our vision is, through our members, we stand with Australians for a better financial future.

ROLE OF THE FPA

We have five key roles to play:

- 1 Represent interests of the public:**
Our members represent best practice financial planning that puts the interest of the client first. Australians deserve trusted and transparent financial advice.
- 2 Represent interests of members:**
Our strong ties with government and regulators in financial planning, positions us as the collective voice of our members. We maintain strong relationships with all key stakeholders and champion for fair outcomes that advance our profession.
- 3 Foster high professional standards:**
We create a professional culture of accountability and self-regulation, setting and enforcing ethical standards that result in the highest quality financial advice.
- 4 Facilitate world-class education:**
We are the only Australian body licensed to administer and deliver the CERTIFIED FINANCIAL PLANNER® designation, the international gold standard and highest certification available to financial planners worldwide.
- 5 Provide professional development:**
We support our members with a high calibre program of continued professional development designed to enhance their knowledge and skills, and support them in financial planning excellence.

+1,530

NEW MEMBERS

2018/19

14,125

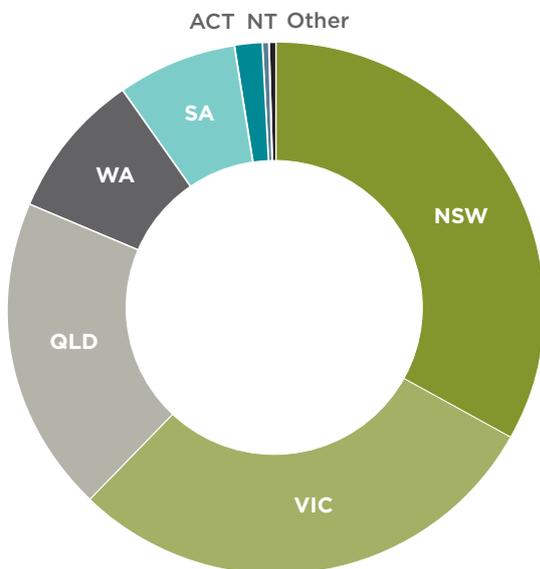


MEMBERSHIP DEMOGRAPHICS

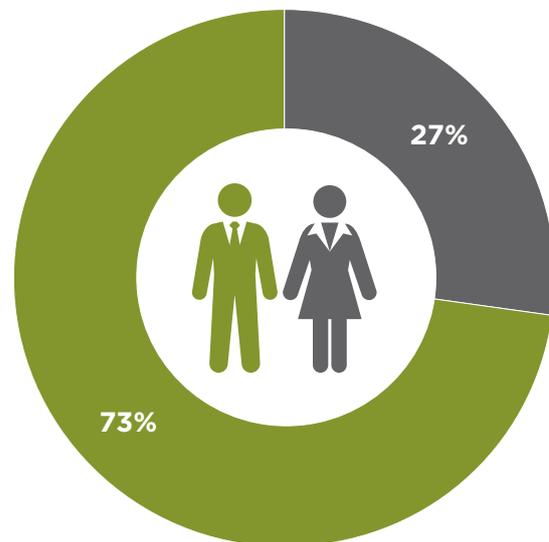
FPA Membership Composition 2018/19

CATEGORY	2019	2018
CFP® Professional members	5,724	5,724
Financial Planner AFP® members	4,124	4,304
Associate members	1,585	1,345
Allied Professional members	786	1,001
Leave of absence members	170	178
Student members	1195	939
Retired members	205	199
FPA Professional Practices	266	286
FPA Professional Partners	70	83
TOTAL	14,125	14,059

Members by State (%)



Members by Gender (%)



10 AVERAGE YEARS' MEMBERSHIP



45 AVERAGE MEMBER AGE

MEMBERSHIP SATISFACTION

In December 2018, over 1,000 FPA members participated in the FPA member satisfaction survey and key insights were:

It's been a challenging year and many FPA members have been feeling the strain.

The most valued membership benefits include the timely, relevant information shared by the FPA, including policy and regulatory updates, webinars, FPA Express and *Money & Life* magazine.

Respondents identified the following key areas as those they require more support in:

- Further resources for business growth and to get up to speed with the new requirements of the Financial Adviser Standards and Ethics Authority (FASEA)
- More opportunities to foster community, connections and relationships within their professional community
- Continued FPA advocacy with government and regulators
- More initiatives to build consumers' trust in the financial planning profession.

Initiatives and resources are being rolled out to address these key needs and concerns of the FPA membership this year and next.

MEMBERSHIP ENGAGEMENT

FPA Chapters

FPA members connect locally on a Chapter basis. In 2018/19, there were 30 FPA Chapters across Australia. Each Chapter has a volunteer Chapter Chair and committee who help us to engage with members.

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

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

Chair: Delma Newton CFP®

Mark Alexander CFP®

Naomi Alletson AFP® (from start of 2019)

Susie Erratt CFP®

Andrew Harris CFP®

Francesca Hughes CFP®

Gary Jones AFP®

Todd Kennedy CFP®

Steven O'Donoghue CFP®
(until November 2018)

Pene Lovett, FPA COO

This year, we ran 123 member events, including the FPA National Roadshow, the 2018 Professionals Congress in Sydney, local Chapter CPD seminars, Women in Wealth events, webinars and events for young professionals.



FPA Professionals Congress

The FPA Professionals Congress is the flagship annual event for FPA members and the broader financial planning community.

In November 2019, 1,400 delegates from around the country attended the FPA Professionals Congress in Sydney.

The two-and-a-half-day event was designed to encourage and equip financial planners to embrace technological, social and regulatory change impacting the financial planning profession.

The event featured an impressive line-up of speakers, including former Treasurer, Peter Costello AM, US author and financial services expert, Mitch Anthony, leadership expert, Stephen M. R. Covey, philanthropist Alex Sheen, among others.

The program also included a diverse range of topics from technical and regulatory updates to business development, staff and culture development, and client engagement. Up to 15 continuing professional development (CPD) hours were on offer to delegates.

A highlight of the Congress was the Future2 Celebration held at Sydney's Australian National Maritime Museum. Over 700 guests spent an enjoyable evening, while raising funds for the Future2 Foundation, to help disadvantaged young Australians.

1,400 delegates, three keynotes and 24 workshops, and up to 15 CPD hours.

MEMBERS AND PROFESSIONAL COMMUNITY



A photograph of a group of people in business attire networking at an event. A man in a purple shirt is talking to a woman in a black top. Other people are visible in the background, some holding coffee cups.

FPA Professionals Congress

FPA National Roadshow



The 2019 FPA National Roadshow ran from April to June in 2019, delivering 33 successful face-to-face and live streamed events across Australia. Over 4,000 FPA members and other financial planning professionals registered for the event series.

Each event provided an opportunity for financial planning professionals to come together and tackle the implications of the changing education, ethics and professional standards, to better understand the Royal Commission recommendations, and hear about the latest tools and support on offer from the FPA.

Our Roadshow partner, Challenger, also led a discussion about recent legislative change impacting retirement planning advice.

For the first time, a networking hour was introduced to the end of each event, allowing attendees to connect informally with their peers.

Each attendee received the new FPA booklet, *Helping you understand the FASEA Code of Ethics*. A digital version was made available at the end of the series.



FPA National Roadshow - Sydney

FPA Women in Wealth program



+661

NEW FEMALE
FPA MEMBERS

The FPA Women in Wealth program is designed to attract more women to the profession and to foster community, innovation and leadership among existing financial planners.

FPA female membership grew from 26% to 27%

During 2018, we celebrated a milestone, with the FPA growing its percentage of female membership from 26% to 27%. With women making up just 20% of financial planners in the wider profession, this is an important achievement.

Our networking event series also expanded from two locations in 2017 to a national event series in 2018 in Perth, Melbourne, Sydney, Brisbane and Adelaide featuring speakers including London bombing survivor, Gill Hicks AM and renowned coach Lisa McInnis-Smith.

Through our collaboration with Financial Executive Women, women attending were also invited to join FEW Circles during each event to foster mentorship and leadership.

During 2018, we also established a national network of FPA Women in Wealth Champions, who are local advocates for female financial planners in our community.

We thank our 2018/19 FPA Women in Wealth Champions and our generous sponsors for their ongoing support.



Women in Wealth 2018 - Melbourne

Chapter events



FPA Chapter Chairs and Chapter Committees play a vital role in planning and implementing the local events program throughout the year.

Chapter events offer members regular opportunities to get together with local peers, as well as hear from expert speakers on professional development topics. The program also includes Future2 fundraising events such as the AFL and NRL lunches and Melbourne Cup events.

MEMBER RESOURCES

FPA Return to Learn

In March 2019, we launched FPA Return to Learn, an online education portal designed to help members better understand the new FASEA education requirements including facts sheets, tools and resources covering:

Education pathways tool – Helping members identify what further studies they will need to undertake to comply with the new FASEA education standards.

Cost comparison tool – A program and fee comparison of FASEA-approved degrees that helps members find the most suitable degree – including a comparison of the credits each university will allocate to members who have completed the CFP® Certification Program. It also includes links to the university Credit and Recognition of Prior Learning policies.

FASEA financial adviser exam study guidance – A range of study resources including academic writing and referencing guides, how to prepare for exams, tips for time management and links to the FASEA’s practice exam and recommend reading lists.

FPA CPD policy – The latest FPA CPD policy is available and has been updated to align with the new FASEA requirements.

Return to Learn is available as part of the FPA Learn online education platform.



FPA Wellbeing

In May 2019, the FPA announced the launch of *FPA Wellbeing*, a free comprehensive health and wellbeing program for members, amid unprecedented change in the emerging financial planning profession.



By focusing on prevention and early intervention, FPA Wellbeing provides an avenue to help minimise the mental health impact on members as they transition to new education and regulatory standards, among other challenges.

Available through our partner Benestar®, the service is accessible to FPA practitioner members and includes:

- Personal, confidential support sessions with qualified counsellors and psychologists via phone, Live Chat or face-to-face.
- Access to a library of health and wellbeing resources, available via a mobile app, computer or tablet via Benestar's website (benestar.com).

Digital membership badge and certificate

This year we launched a new personal FPA digital badge and certificate allowing members the opportunity to easily promote and verify their membership visually in an email signature or on a website.

The digital badge links to a member's personal online membership certificate and will automatically update each year when a member renews. This new feature is available in addition to the printed membership certificate sent in the mail.



FPA Fintech hub

Fintech presents valuable opportunities for financial planners and practices to improve client engagement, drive cost reduction and boost operational efficiency. This year the FPA added further resources to our online Fintech hub, allowing members to better understand the benefits and technology available to them.

In November 2018, we released the *FPA Fintech Buyers Guide and Checklist*, including a *Technology Assessment Checklist* and guide for selecting the right technology partner.

In March 2019, we rolled out the companion online diagnostic tool to help identify fintech solutions that can improve profitability and efficiency. Developed with leading advice technology provider, YTML, the tool quantifies the actual costs in the advice process, determines how long it takes to deliver end-to-end service, and provides the basis for calculating how to price services accordingly.





Money & Life magazine

Money & Life magazine for financial planning professionals continues to be a highly valued resource by FPA members. Ten issues were published and mailed to members this year. The magazine is accompanied by the Money & Life Professional digital content site and the fortnightly e-newsletter.

Member toolkits

The FPA publishes numerous tools and booklets for members containing practical guidance to support members in their practices, as well as to share information on legislative issues and updates.

This year, we published the *Helping you understand the FASEA Code of Ethics* booklet. This was designed to help members prepare for the new FASEA Code coming into force from 1 January 2020. It gives members a clear outline of the requirements of the Code and the new obligations it creates. This booklet has been a significant resource for those members who sat the FASEA financial adviser exam in June 2019. It is also being considered by FASEA as an inclusion on the recommended reading list for exam preparation.

With the Financial Services Royal Commission recommendations handed down in February 2019, we published a Royal Commission Wrap for FPA members to identify and explain all the recommendations that may directly or indirectly affect the provision of financial advice.

Once again, the FPA was invited to attend the Federal Budget stakeholder lock-up this year. This enabled us to produce and distribute the *2019 FPA Budget Wrap* to members on Budget night. This provided a summary of the Budget announcements of relevance to members and their clients. We also ran a Federal Budget webinar to help members better understand how the Budget will affect their clients and their business.



Member communications

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

Our FPA Express e-newsletter and FPA Alert emails ensured that members were kept up to date with breaking news and announcements, particularly on the FASEA consultations and legislative instruments for the education, training and ethical standards.

These communication channels also allowed for members to provide feedback and ask questions. During the year, the FPA team received and responded to thousands of member emails and calls, the majority were requests for help to understand an individual's education pathway and study requirements in order to meet the new standards.

We worked hard this year to reduce the average response time to inbound member communications, reducing email response times to an average of one day. We also maintained a service standard of 80% of phone calls answered in less than 30 seconds with an abandon rate of under 6%.

My CPD

This year, development work has been underway on a new, one-stop platform to help FPA members achieve their continuing professional development (CPD) requirements with FPA, Tax Practitioners Board (TPB) and FASEA, as well as track their CPD requirements. Named My CPD, stage one was launched in July 2019.

My CPD is set to become a game changer in the CPD market. It is accessible free of charge to FPA members on the FPA Learn online education platform.



UNIVERSITY STUDENT ENGAGEMENT

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

We actively engaged with university students by participating in university open days, career expos and guest lectures, as well as connecting with and sponsoring student associations. This also included the provision of financial support of \$15,000 towards university student award programs.

A new event series was successfully trialled in partnership with Kaplan Professional – the Careers in Financial Planning events visited five capital cities and the response was extremely positive with close to 300 attendees.

The events brought together business, commerce and financial planning university students to network with industry professionals, practices and employers and to learn about career opportunities.

We also invited FPA Student members to join us at our flagship annual member event. This year, 45 students attended the 2018 FPA Professionals Congress, with 28 of these students sponsored to attend thanks to the support of local FPA Chapters.

The FPA Emerging Professionals Network acts as a student working group and this year included 14 members. The group allows us to directly engage and collaborate with students and young planners to help guide our strategic efforts in student engagement.



FPA PROFESSIONAL PRACTICE PROGRAM



Those in the FPA Professional Practice program are set apart as businesses of high calibre and a commitment to financial planning excellence. The program creates consumer recognition for high quality practices around the country through the use of the FPA Professional Practice branding.

In 2018/19, there were 266 practices in the program and highlights included:

Continued access to the FPA Professional Practice branding. This logo is unique to those in the program and provides immediate, visual recognition when displayed on office signage and business stationery. This year, an online Professional Practice badge also became available for use on email signatures and websites, with a digital link to verify Professional Practice status.

The continued success of the FPA and Cbus Advice Referral program. This service connects consumers with CFP® professionals within the FPA Professional Practice community. Now in its fifth year, a total of 3,716 client referrals have been generated as at 30 June 2019. Further referral programs were explored this year, with implementation likely to occur next year.

A new workshop concept, called Share and Learn, was piloted this year in Sydney and Adelaide. Designed to connect like-minded leaders from FPA Professional Practices, the workshop allowed attendees to share operational and management issues and ideas. The feedback from attendees was overwhelmingly positive and as a result the workshop series will be rolled out nationally in the next year.

Our alliance with Business Health, an independent provider of solutions for financial advice firms, remained this year. Through this, we again subsidised a complimentary Business HealthCheck and CATScan client satisfaction survey for FPA Professional Practices.

Throughout the year, 22 practices took up the HealthCheck and 11 utilised the CATScan.

The dedicated FPA Professional Practice workshop was held at the 2018 FPA Professionals Congress with a focus on business succession planning. Over 300 delegates were in attendance and the feedback was very positive in terms of the practical insights shared.

Regular, dedicated Professional Practice e-newsletters were shared, covering current opportunities and addressing challenges specific to the Professional Practice community.

Media opportunities, including regular features in the FPA's *Money & Life* magazine, as well as numerous opportunities where the FPA connected financial planners within Professional Practices with journalists to facilitate expert commentary in the media.

This year the FPA CPD Assessor program was extended and offered to FPA Professional Practices. This enables Professional Practices to appoint an eligible delegate within their practice to accredit their internal training courses for FPA continuing professional development hours.

50 Quality Practice Assessment Program advice file reviews were undertaken during the year. The results indicated the overwhelming majority of planners working in FPA Professional Practices are maintaining the high professional standards expected of them.

FPA PROFESSIONAL PARTNER PROGRAM

The FPA Professional Partner program is open to Australian Financial Services Licensees who are committed to furthering the interests of the financial planning profession and consumers, and helping the FPA to positively shape the future of financial planning.

There were 70 Partners in the program in 2018/19.

It was a year of review for the FPA Professional Partner program. We rolled out a new agreement for program participants that better reflected the changing environment of financial planning licensing.

The new agreement strengthens the relationship between the FPA and its Professional Partners through elevated FPA membership qualifying criteria.

During the year, a series of Professional Partner Forums were held, including a Financial Adviser Standards and Ethics Authority (FASEA) education update and a FASEA Code Monitoring information session. For the first time, a dedicated FPA Professional Partner Workshop ran at the 2018 FPA Professional Congress.

The FPA team continued to engage with Partners across the full breadth of our participating program cohort, large and small alike. Numerous meetings and visits took place with Professional Partner leadership teams, presentations were given, and the FPA was involved at professional development days and conferences around the country.

We also shared regular tailored e-newsletters throughout the year to provide relevant information to our Partner community.

PROFESSIONAL ONGOING FEES CODE

The ASIC-approved *FPA Professional Ongoing Fees Code* is available to FPA members (CFP® professionals and Financial Planner AFP® members) as an alternative to the opt-in laws when engaging clients in an ongoing fee arrangement. Those subscribed to the Code are able to renew their ongoing fee arrangement with clients every three years, rather than biennially.

The Code provides the opportunity to implement an ongoing fee arrangement that is more practical and appropriate for clients and businesses of FPA practitioner members while maintaining the highest level of consumer protection.



Professional Practice Workshop



**CFP® CERTIFICATION
PROGRAM AND
PROFESSIONAL
DEVELOPMENT**

The CERTIFIED FINANCIAL PLANNER® designation is the gold standard in financial planning. It is respected as the global certification for those seeking to demonstrate their commitment to the delivery of competent and ethical financial planning advice.

CFP® CERTIFICATION PROGRAM



CERTIFIED FINANCIAL PLANNER® professionals meet initial and ongoing education, experience and professional development requirements, pass a rigorous exam that assesses competency, and adhere to a code of ethics, pledging to provide financial planning in the interests of clients and with the highest ethical and professional standards.

CFP® certification means more than just education. It revolves around meeting the four E's of professionalism – Education, Ethics, Experience and Examination – and requires a CFP® professional to re-certify their credentials annually in order to keep their certification.

Globally, the CFP® professional community continues to thrive as demand for the certification is rising. There are currently 181,000 CFP® professionals worldwide and 5,724 CFP® professionals in Australia, with 263 new CFP® professionals admitted this year.

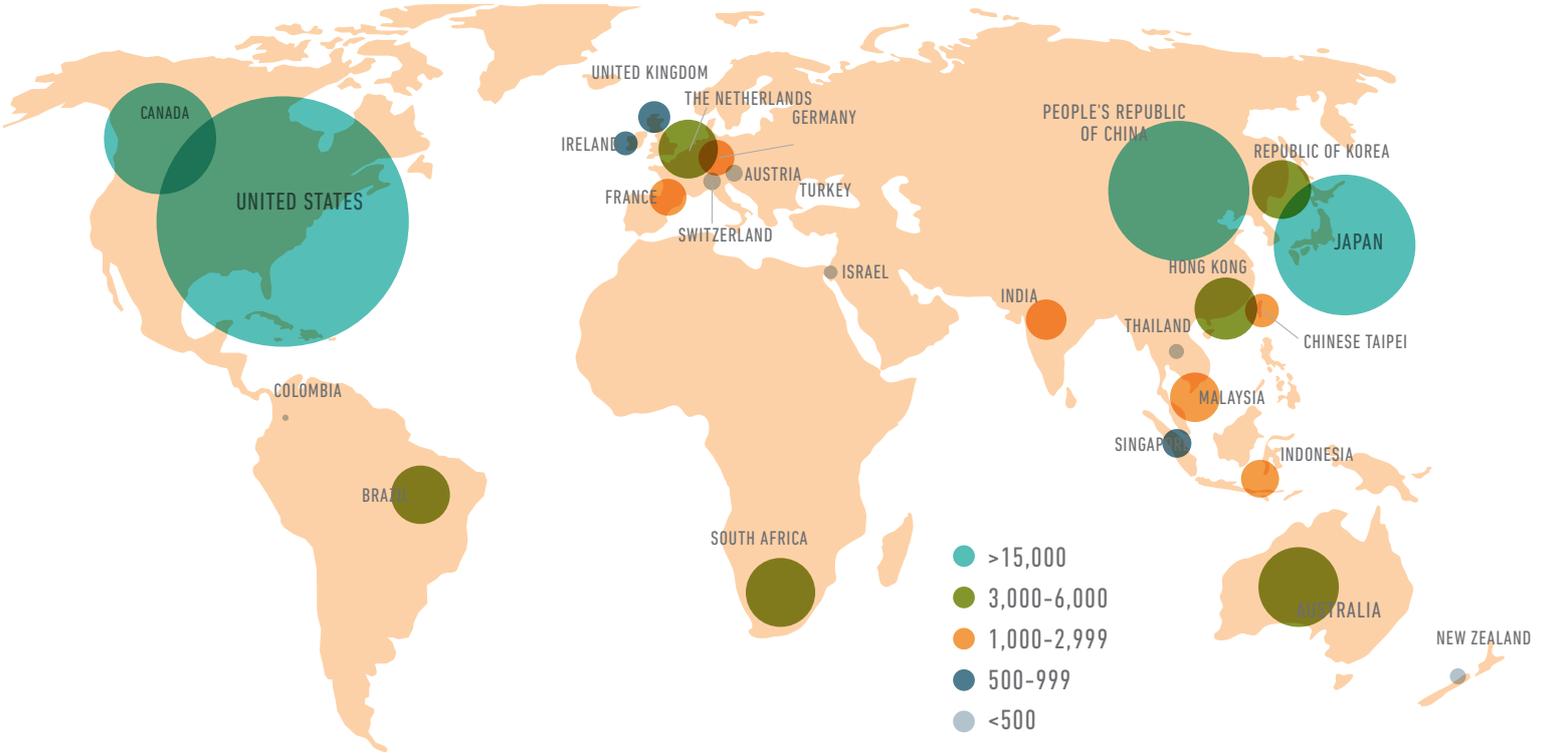
As part of the significant education reform underway, the CFP® Certification Program became the first professional designation education program in Australia to qualify for recognition of prior learning (RPL) towards the new degree standard.

The Financial Adviser Standards and Ethics Authority (FASEA) assigned two credits towards the total required by January 2024. This applies to those who started and subsequently completed the FPA's five unit CFP® Certification Program since Semester 2, 2003.

We have submitted all other additional pathways prior to 2003 for CFP® Certification to FASEA for accreditation. Decisions on the credits awarded to these pathways are still to be decided by FASEA.

In addition, the CFP® Certification Program has received recognition for up to four credits with many universities for existing Masters of Financial Planning programs.

CFP® CERTIFICATION PROGRAM



	181,360	CFP® PROFESSIONALS WORLDWIDE
	5,724 CFP® PROFESSIONALS IN AUSTRALIA	263 ADMITTED THIS YEAR
	822,737 VIEWS OF FPA LEARN	988 ASSIGNMENTS MARKED
	YOUNGEST STUDENT 22YRS	OLDEST STUDENT 64YRS
	STUDENT DEMOGRAPHICS 69% MALE 31% FEMALE	86% AVERAGE EXAM PASS RATE

Congratulations to the following members who were admitted as CERTIFIED FINANCIAL PLANNER® professionals during 2018/19:

ACT

Amy Atkinson CFP®
George Collie CFP®
Samuel Furler CFP®
Mark O'Brien CFP®
Michael Simmons CFP®
Chih Leong Tang CFP®
Glenn Williams CFP®

NSW

Maricris Abellar CFP®
David Adams CFP®
Nilar Alom CFP®
Grant Azzopardi CFP®
Menish Bains CFP®
Kate Blake CFP®
Shannon Brown CFP®
James Bucknell CFP®
Jason Burnell CFP®
Both Chan CFP®
Xiaomu Chen CFP®
Si Cheng CFP®
Darren Chinnappa CFP®
Leigh Christopher CFP®
Anita Coelho CFP®
Andrew Csordas CFP®
Blake Cullen CFP®
John Dacker CFP®
Matthieu de La Mettrie CFP®
Emily Djekovic CFP®
Nicholas Donlon CFP®
Andrew Dunkerley CFP®
Gladys Elias CFP®
Jingyang Fan CFP®
Jonathan Fischer CFP®
Lin Gao CFP®
Jason Gay CFP®
Nicholas Gordon CFP®
Akriti Gupta CFP®
Michael Hartley CFP®
Joel Harty CFP®
Steven Hastie CFP®
Fernanda Havea CFP®
Mark Henderson CFP®
Lucille Hernandez CFP®
Chad Hohnen CFP®
Ankit Hunjon CFP®

David Isaacs CFP®
Justin Ishac CFP®
James Jagodnik CFP®
Paul Karagorgovski CFP®
Britt Kingsley CFP®
Rachel Knaus CFP®
John Kuo CFP®
Yasuhiro Kuramochi CFP®
Anthony Lam CFP®
Christopher Lau CFP®
Mariana Leong CFP®
Winifred Liao CFP®
Elyse Lorenti CFP®
Mark Mahony CFP®
Laxmi Manna CFP®
Tammy Marshman CFP®
Richard McClelland CFP®
Daniel Miklos CFP®
Corinne Mir CFP®
Thomas Moloney CFP®
Christopher Monaghan CFP®
Kabilan Muruganathan CFP®
Jordan Myers CFP®
Rachel O'Connor CFP®
Jessica Pramana CFP®
Luke Priddis CFP®
Amy Reed CFP®
Daniel Roberts CFP®
Steven Roberts CFP®
Angus Rodgers CFP®
Jordan Ryan CFP®
Sabena Samuel CFP®
Jonathan Schafer CFP®
Amruta Shah CFP®
Alicia Sun CFP®
Vandana Tater CFP®
Daniel Taylor CFP®
Borislav Tesanovic CFP®
Hemant Tidke CFP®
Cameron Unicomb CFP®
Xiren Wan CFP®
Peter Wheatland CFP®
Mark Williams CFP®
Liam Willis CFP®
Bo Yuan CFP®
Yaotao Zeng CFP®
Ming Zhang CFP®

NT

Alicia Langton CFP®

QLD

Shannon Abbey CFP®
Jarryd Baxter CFP®
Kent Bond CFP®
Yun Chin CFP®
David Chong CFP®
Angus Cooper CFP®
Ross Dalaberas CFP®
Oswaldo Duque CFP®
Michael Dwyer CFP®
Christopher Enbom CFP®
James Fulton-Kennedy CFP®
Amit Gahlyan CFP®
Patricia Garcia CFP®
Kurt Grainger CFP®
Michael Gray CFP®
Scott Gynther CFP®
Cameron Harris CFP®
Simon Hepson CFP®
Daniel Hogan CFP®
Niyati Khanna CFP®
Lisa Kirk CFP®
Colin Lea CFP®
Ian Lioubachevskii CFP®
Christopher Manthey CFP®
Pedro Marin Ramirez CFP®
Adam Massey CFP®
Matthew McCarthy CFP®
Thomas McKey CFP®
Jonathan Melloy CFP®
Matthew Neill CFP®
Sean Nigh CFP®
Terence O'Sullivan CFP®
Alister Paskins CFP®
Phillip Passaris CFP®
Michelle Poulsen CFP®
Edward Pullen CFP®
Patrick Reeves CFP®
James Sali CFP®
Amanda Sartor CFP®
Lisa Scott CFP®
John Spooner CFP®
Sara Stephens CFP®
Susan Talbot CFP®

Cameron Teague CFP®
 Mark Thompson CFP®
 Debbie Thomson CFP®
 Natalie Vongpraseuth CFP®
 Sonya White CFP®
 Hugh Wright CFP®
 Xiaoyin Xue CFP®

SA

Efstathia Cossey CFP®
 Bruce Davis CFP®
 Vanessa Di Cola CFP®
 Marissa Han CFP®
 Darren Hocking CFP®
 Patrick Iwanowitsch CFP®
 Rodica Simos CFP®
 Christopher Wong CFP®

TAS

Veronica McAlister CFP®
 Matthew Rowlands CFP®
 Jared Schrank CFP®
 Darren Styles CFP®

VIC

Daniel Aitken CFP®
 Micheal Anderson CFP®
 Calvin Barlow CFP®
 Nicola Beswick CFP®
 Michael Bickerdike CFP®
 Timothy Block CFP®
 Simon Cammiss CFP®
 Stephen Charalambous CFP®
 Helen Cheng CFP®
 Amelia Chia CFP®
 Chin Chua CFP®
 Khim Chua CFP®
 Frank D'Alesio-Tremante CFP®
 Anthony Denaro CFP®
 Adrian D'Mello CFP®
 Claudio Donato CFP®
 Matthew Dunbar CFP®
 Samantha Durdin CFP®
 Jodie Eastough CFP®
 Marcus English CFP®
 Lasadi Felsingher CFP®
 Romesh Fernando CFP®
 Carmel Filippone CFP®
 Lisa Fitzgerald CFP®
 Shaun Ganguly CFP®
 Patrick Garrett CFP®

Olivia Grant CFP®
 Vishal Gupta CFP®
 Catherine Ho CFP®
 Peter Hodgson CFP®
 Peter Hunt CFP®
 Luke Jones CFP®
 James Kennedy CFP®
 John Kostopoulos CFP®
 Chris Kouteris CFP®
 Emily Lanciana CFP®
 Nicholas Lee CFP®
 Miranda Leung CFP®
 Nicole Lewis CFP®
 Joel Lewis CFP®
 Daniel Lunardi CFP®
 Kevin Ly CFP®
 Vikas Madaan CFP®
 Pallavi Mahajan CFP®
 Brenton Marris CFP®
 David McCrorie CFP®
 Simon McDonald CFP®
 Bianca Musico CFP®
 Raquel Netto CFP®
 Kha Han Nguyen CFP®
 Jacob O'Sullivan CFP®
 Katherine Pancari CFP®
 Chamil Peiris CFP®
 Salvatore Pizzuto CFP®
 Benjamin Ross CFP®
 Travis Schindler CFP®
 Vikki Seldon CFP®
 Vanessa Simmonds CFP®
 Karthik Sivashanmugham CFP®
 Vanessa Smith CFP®
 Jared Smith CFP®
 Wade Spooner CFP®
 Gajan Sundaram CFP®
 James Syme CFP®
 Sharon Tan CFP®
 Daniel Tiet CFP®
 Kara Treeby CFP®
 Antonino Tripodi CFP®
 Adisa Turbic CFP®
 George Van Deventer CFP®
 Stuart Wilkinson CFP®
 Gayle Wilson CFP®
 Stephanie Yeung CFP®
 Yajie Zhang CFP®
 Leo Zhang CFP®

WA

Abdul Qader Al-Jabri CFP®
 Shaun Siew Ian Au CFP®
 David Benney CFP®
 Warwick Bird CFP®
 Antony Black CFP®
 Robert Catherall CFP®
 Christian Colkers CFP®
 Pitchaporn Curry CFP®
 Matthew Daniells CFP®
 Michael Dean CFP®
 Robyn Fisher CFP®
 Boi Dinh Fong CFP®
 Jamie Gibson CFP®
 Cara Graham CFP®
 James Harper CFP®
 Julie Hautot CFP®
 Tyler Hurley CFP®
 Jason Laming CFP®
 Cherrilyn Lee CFP®
 Lauren Lockhart CFP®
 Scott McAlees CFP®
 Naomi Mee-Martino CFP®
 Daniel Morcombe CFP®
 Anthony Muller CFP®
 Christopher Pereira CFP®
 William Riley CFP®
 Denis Risteski CFP®
 Carolyn Roper CFP®
 Matthew Starcevich CFP®
 Joshua Stone CFP®
 Daniel Viola CFP®
 Benjamin Walker CFP®
 Sean Yeo CFP®
 Vanja Zoric CFP®

Each year, the FPA is committed to providing a comprehensive program of continuing professional development (CPD) via online learning, webinars, events and Money & Life magazine.

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Our comprehensive 2018/19 CPD webinar series enabled FPA members to access 15 free online learning sessions across practice management, technical, developmental and professional value capabilities. The topics included ethics, estate planning, aged care, dispute resolution and financial literacy. The webinars also provided legislative and regulatory updates on the FASEA proposals and Federal Budget analysis.

Throughout the year, the program attracted 3,182 webinar registrations and 3,714 recording requests.

Each of the webinars were accredited with CPD hours. In addition, 3,157 CPD quizzes were completed by members to earn CPD hours by reading the relevant *Money & Life* magazine articles.

We also offer a CPD accreditation service that provides independent evaluation and accreditation of professional development activities outside the FPA, according to our CPD Policy and Accreditation guidelines. In 2018/19, 3,088 CPD hours were accredited.



3,088
HOURS OF CPD
ACCREDITED



833
CFP ACCREDITATION
APPLICATIONS PROCESSED



3,157
CPD QUIZZES
COMPLETED



15
FREE CPD
WEBINARS



6,000+
WEBINAR REGISTRATIONS
OR RECORDINGS

FINANCIAL PLANNING EDUCATION COUNCIL (FPEC)



FINANCIAL PLANNING EDUCATION COUNCIL

FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

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

FPEC comprises financial planning practitioners, academics and industry professionals.

The members of FPEC during the 2018/19 term were:

Prof. Sharon Taylor (Chair)

Diana Bugarcic

Dr Ron Donato

Dr Kingsley Fong

Martin McIntosh CFP®

Ron McIver

Chris Morcom CFP®

Marc Olynyk AFP®

Dr John Teale

Rebecca Watt CFP®

Dante De Gori CFP®

During this year, FPEC accredited three new universities and seven programs including Bachelors, Graduate Diploma and Masters.

FPEC continued to work closely with the Financial Adviser Standards and Ethics Authority (FASEA) on its mission to set the education, training and ethical standards of financial advisers in Australia.

FASEA accepted the FPEC Curriculum and Approved Degrees list and used this as the initial entry standard for new entrants into the financial planning profession. From the start of 2019, FASEA took over the role of accrediting universities and programs.

ACADEMIC RESEARCH GRANTS

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

The FPEC academic research grants recognise those who have demonstrated a commitment to encouraging the development of financial planning as an academic discipline in its own right.

This year FPEC announced Western Sydney University (WSU) and Griffith University as the two winners of the 2018 FPEC Academic Research Grants.

Each grant recipient received \$5,000 to support research that helps to further grow relationships between the tertiary sector and the financial planning profession. The 2018 FPEC academic research grants were jointly sponsored by the FPA and NAB.

FINANCIAL PLANNING RESEARCH JOURNAL

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

Published online twice a year and available on the FPA website, the journal incorporates peer-reviewed academic articles covering the full spectrum of the financial planning profession. Some of the topics covered in the 2018/19 editions of the journal included career prospects for financial planning students, retirement outcomes for primary carers in Australia, and autonomy and financial decision-making in indigenous communities.

Business research journals are ranked for quality, by the Australian Business Dean's Council from D to A, with A being the highest ranking. Some journals are not awarded with a ranking in the list, however the *Financial Planning Research Journal* was honoured with a category C rating soon after its launch.

The journal ranking list is revised every six years and a review is currently underway. The submission to increase the *Financial Planning Research Journal's* category received the support of over 70 signatories from universities and institutions both in Australia and overseas, indicating the young journal is already making a large impact in the academic community.





**GOVERNMENT
ADVOCACY**

The FPA champions good policy outcomes that are fair, advance the financial planning profession and protect Australian consumers.

The FPA also maintains close relationships with government regulators and agencies and is an active participant in policy development and industry consultation.

Three Ministers were responsible for financial services during 2018/19. The commencement of the year saw the Hon Kelly O’Dwyer MP continuing as Minister for Revenue and Financial Services.

From 28 August 2018, responsibility for the financial services portfolio transferred to the Assistant Treasurer, the Hon Stuart Robert MP.

After the federal election in May 2019, the portfolio was managed by the Assistant Minister for Superannuation, Financial Services and Financial Technology, Senator the Hon Jane Hume.

This year, the FPA maintained productive working relationships with each responsible Minister, which has allowed us to be an effective advocate on behalf of our members and their clients. We also embarked on united advocacy efforts with the AFA and jointly represented the respective members at meetings with both the previous Minister, Hon Stuart Robert MP and the current Minister, Senator Jane Hume.

We supported members as they engaged with MPs, Senators and other government stakeholders. We refreshed our advocacy guide and provided tools, templates and issues papers to ensure members were equipped to raise issues of concern.

During 2018/19, we made submissions on a number of critical reform areas in financial planning. These included the establishment and policies of the Australian Financial Complaints Authority (AFCA) and the Financial Adviser Standards and Ethics Authority (FASEA); as well as addressing Commissioner Hayne’s recommendations in his final report.

This year, we also set up a joint Taskforce on Life Insurance with the AFA. The purpose of the Taskforce is to establish a combined association approach to the future of life insurance advice. In preparing for the ASIC review in 2021, the Taskforce will work with government and other stakeholders to increase understanding of the role financial advice plays in improving insurance outcomes for consumers. The Taskforce will meet fortnightly and is made up of four Life Risk Specialists from both the AFA and the FPA as well as representatives from the executive teams of both Associations.



Life insurance taskforce meeting



CEOs meeting with Senator Hume

ETHICAL AND PROFESSIONAL STANDARDS

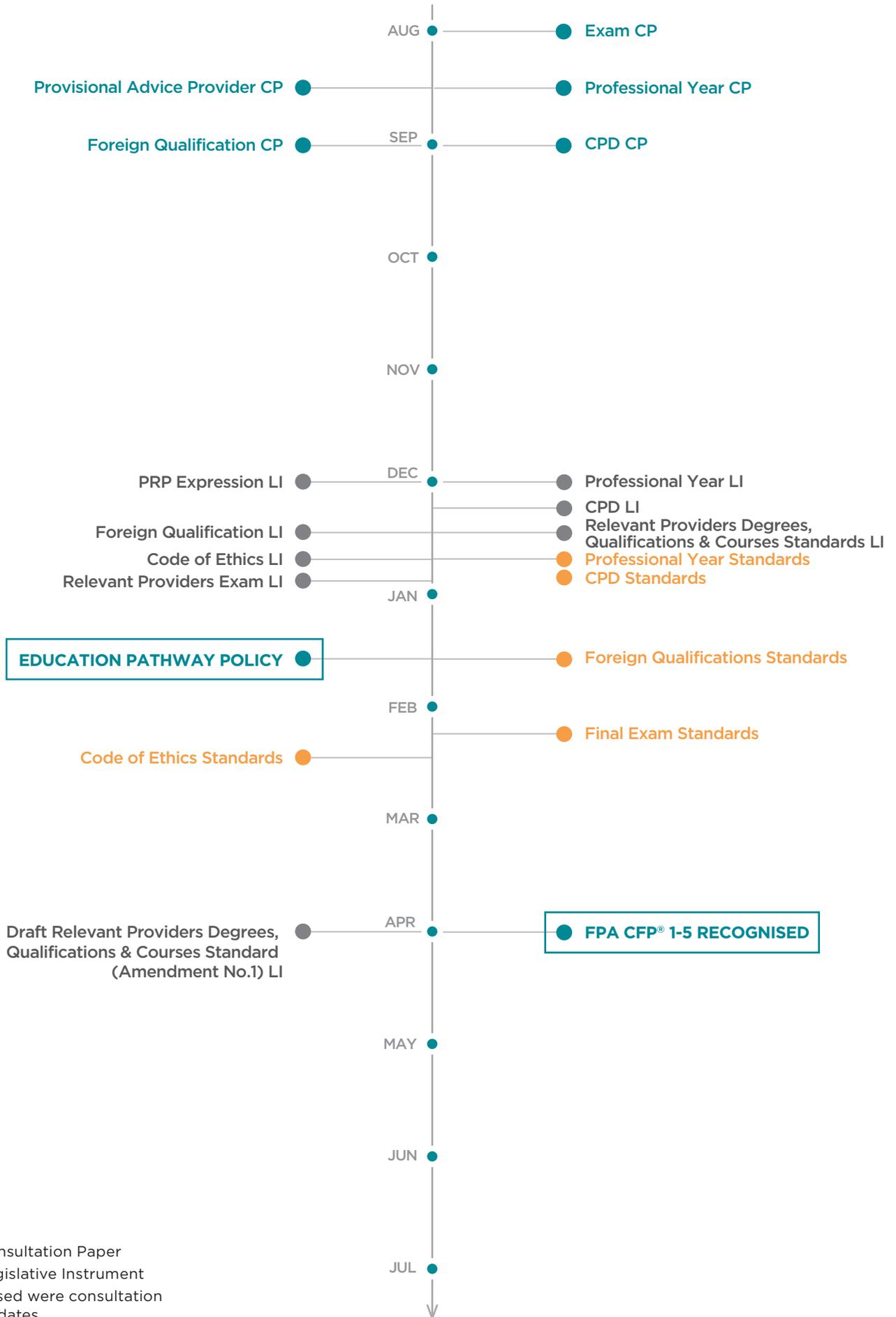
Consultations timeline

The Financial Adviser Standards and Ethics Authority (FASEA) created new standards for the financial planning profession throughout 2018/19.

FASEA released consultation papers and draft legislative instruments before establishing the final standards in the form of legislative instruments. During 2018/19, the FPA provided submissions and participated in meetings with FASEA and the relevant Ministers, in relation to the following standards:

- Education standard including degree pathways and recognition for prior learning
- Financial adviser exam
- Professional year requirements
- Continuing Professional Development (CPD)
- Approval of foreign qualifications
- Code of Ethics
- Term for a Provisional Relevant Provider

Overview of consultations timeline



KEY

CP: Consultation Paper
 LI: Legislative Instrument
 Dates used were consultation closing dates.

Advocacy on FASEA standards

The FPA successfully advocated for a range of improvements across all areas of FASEA standards.

Education standard including degree pathways and recognition for prior learning

<p>Original FASEA proposed standard</p>	<p>The original FASEA proposed standard set a minimum qualification of Australian Quality Framework (AQF) level 7 – which is a 24-unit Bachelor’s degree. Existing advisers were given transitional arrangements, and could meet the education standards with an eight-unit graduate diploma by 1 January 2024.</p> <p>The original FASEA proposed standard did not recognise any form of other study undertaken by financial planners, including the diploma of financial planning, coursework to obtain professional designations such as the CFP® and other financial planning related qualifications.</p> <p>Under the original FASEA proposed standard 91% of FPA members would be required to complete a full eight-unit graduate diploma.</p>
<p>FPA recommendations</p>	<p>FASEA did not originally recognise professional designations in its education standard, as the AQF and Tertiary Education Quality Standards Agency (TEQSA) framework denote that education can only be provided by TEQSA regulated Higher Education Providers. Through the FPA’s advocacy, FASEA agreed to provide recognition for prior learning for coursework completed to achieve a professional designation.</p> <p>The FPA was successful in implementing the following changes to the education standards:</p> <ol style="list-style-type: none"> 1. Amendments to the education standard legislative instrument recognised the CERTIFIED FINANCIAL PLANNER® designation and awarded it two credits, making it the first professional designation to be recognised. 2. The recognition of the Diploma of Financial Planning 1-8, including those completed through FPA. 3. The FPA also argued that recognition for prior learning should be available for completion of between four and seven related units in a degree qualification. Up to this point, FASEA had not recognised the completion of less than eight related units. FASEA agreed to provide two credits for the completion of between four and seven related units. 4. Further, the FPA advocated to extend the definition of ‘relevant field of study’ to include: <ol style="list-style-type: none"> a. financial planning (which includes financial advice areas: superannuation, retirement, insurance and estate planning), and b. commercial law (as approved by Tax Practitioners Board) 5. Lastly, we recommended the Explanatory Statement clearly permit the eight courses of relevant field of study to have been completed under one or more degrees including at both undergraduate and postgraduate levels. FASEA agreed that any units or courses completed at AQF level 7 or higher, will be deemed as ‘relevant field of study’, and did not need to be completed within a single qualification. <p>As a result of the changes, 50% of FPA members will only be required to complete one subject – on the new FASEA code of ethics. As few as 5% of FPA members will be required to complete a full eight-unit graduate diploma to meet the FASEA education standard.</p>

Final FASEA standard

FASEA changed its education standard in response to submissions from the FPA and other industry stakeholders.

The FPA advocated for greater recognition of financial planning education undertaken by its members. Acceptance of these qualifications meant fewer FPA members were required to complete a full eight-unit graduate diploma.

The final FASEA standard allowed the recognition of relevant and non-relevant degrees, other financial planning qualifications and coursework completed to attain a professional designation (through application).

The following were awarded two units of recognised prior learning each:

- Completion of the Advanced Diploma of Financial Services/Planning (ADFS/P) or equivalent approved by FASEA including ADFP 1-8
- Completion of CFP1-5 and CFP1-4 from 1999 onwards.
- Completion of between four and seven courses as defined in the relevant degree definition.

The following were awarded one unit of recognised prior learning each:

- Completion of a non-relevant degree.

Outcome for FPA members

FPA’s advocacy achieved a fairer FASEA education standard:



FASEA did not originally recognise professional designations in its education standard, as the Australian Quality Framework (AQF) and Tertiary Education Quality Standards Agency (TEQSA) framework denote that education can only be provided by TEQSA regulated Higher Education Providers. However, through the FPA’s advocacy, FASEA agreed to provide recognition for prior learning for coursework completed to achieve a professional designation.

Amendments to the education standard legislative instrument recognised the CERTIFIED FINANCIAL PLANNER® designation and awarded it two credits, making it the first professional designation to be recognised.

The FPA also argued that recognition for prior learning should be available for completion of between four and seven related units in a degree qualification. Up to this point, FASEA had not recognised the completion of less than eight related units. FASEA agreed to provide two credits for the completion of between four and seven related units.

Further, we advocated to extend the definition of ‘relevant field of study’ to include:

- financial planning (which includes financial advice areas: superannuation, retirement, insurance and estate planning)
- commercial law (as approved by Tax Practitioners Board).

Lastly, we recommended the Explanatory Statement clearly permit the eight courses of relevant field of study to have been completed under one or more degrees, including at both undergraduate and postgraduate levels. FASEA agreed that any units or courses completed at AQF level 7 or higher, will be deemed as ‘relevant fields of study’, and did not need to be completed within a single qualification.

Financial adviser exam

ORIGINAL CONSULTATION	FINAL STANDARDS
<p>1 The exam would cover:</p> <ul style="list-style-type: none"> a. Corporations Act (emphasis on Chapter 7 – Financial services and markets) – 30% b. FASEA Code of Ethics – 15% c. Financial advice construction (suitability of advice aligned to different consumer groups) – 20% d. Behavioural finance: Client and consumer behaviour, engagement and decision making – 10% e. Applied ethical and professional reasoning and communication – 25% 	<p>The exam would cover:</p> <ul style="list-style-type: none"> a. Financial advice construction b. Applied ethical and professional reasoning and communication c. Financial advice regulatory and legal obligations
<p>2 The exam only recognised the Corporations Act (chapter 7) as relevant legislation</p>	<p>The exam would recognise all relevant laws, including:</p> <ul style="list-style-type: none"> a. Corporations Act (Ch. 7) b. Tax Agent Services Act 2009 c. Anti-Money Laundering and Counter-Terrorism Financing Act 2006
<p>3 30-minute reading time</p>	<p>15-minute reading time, providing candidates with more time to answer questions</p>
<p>4 FASEA would publish the full result for each candidate</p>	<p>FASEA would only publish a ‘pass’ or ‘fail’ mark for each candidate</p>
<p>5 Stratified pass mark, with 75% in code of ethics section</p>	<p>65% pass mark overall</p>

Financial adviser exam cont'd

	ORIGINAL CONSULTATION	FINAL STANDARDS
6	Closed book exam	Statutory materials provided electronically
7	No exam preparation courses	Practice exam questions to be made available
8	FASEA may provide reading list	FASEA would provide an extensive recommended reading list

In December 2018, the FPA provided significant feedback to FASEA on its draft legislative instrument for the financial adviser exam. We secured FASEA’s agreement to the following changes, which were set in the final legislative instrument:

We strongly believed, given the diversity of technical specialisations in financial planning, that behavioural finance and financial plan construction – which necessarily involve a technical component – would be better assessed in formal education, CPD or the professional year. Thus, be reduced or removed from the exam.

We noted the laws relevant to financial planning are not limited to the Corporations Act and also include:

- a. Tax Agent Services Act 2009 (TASA)
- b. Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF)

We highlighted 30 minutes of reading time at the start of the exam is two to three times longer than generally provided reading time for AQF7 and higher exams, and may lead to some frustration with candidates being unable to commence the exam. We recommended the exam duration be maintained but change the reading time to a maximum of 15 minutes.

As the exam was designed to ensure planners are competent and meet the new standards, we recommended candidates’ results should display ‘pass’ or ‘fail’ only.

The FPA’s view is that a 65% pass mark is appropriate if the exam is designed to assess competence rather than to arbitrarily restrict planner numbers. Further, a separate and higher pass mark for the Code of Ethics was unfair and unjust as neither the Code nor bridging courses would be released prior to the commencement of the exam.

As the exam now considered the implications of other relevant laws to financial planning, such as the TASA and AML/CTF acts, it would be appropriate to have an open book exam. This mirrors most law examinations as it means the exam tests an individual’s application of knowledge rather than their memorisation capability. FASEA agreed and, in turn, will allow statutory material to be provided electronically.

Initially, FASEA was not required to release a reading list; however it was paramount that a reading list was clarified for financial planners and members to pass the exam. Its importance is further exacerbated as a majority of planners may not have been familiarised with examinations for a long time and both a reading list and practice questions would alleviate a lot of planners’ concerns. FASEA has released a reading list to allow members to prepare for the exam.

Professional Year

	ORIGINAL CONSULTATION	FINAL STANDARDS
1	Total number of hours to be 1,800	Total number of hours reduced to 1,600
2	Hours include: a. 800 'accredited' education and training b. 1,000 hours of work and supervised experience	Hours include: a. 100 'structured' education and training b. 1,500 hours of work and supervised experience
3	CPD to be included during professional year	Exclude CPD requirements during the professional year
4	Static progression	Possibility of accelerated progression
5	A minimum of two hours per week of structured training	Removed minimum hours of structured training

The FPA successfully advocated for the following changes to the FASEA professional year standard:

While we support further education, we do not agree with the inclusion of education in the professional year as it significantly detracts from the role of the professional year as one element of the education and professional standards framework, and ignored the prerequisite requirement of the education standard for commencing the professional year. FASEA significantly reduced the education and training component of the professional year.

We argued FASEA's professional year requirements should align with the experience requirements for TPB registration of one year of work experience and training, which was the intent of aligning and formalising these obligations for new entrants.

We advocated the total hours of 1,800 was impractical and did not take into account personal, annual and other forms of leave taken by individuals during their working life. We calculated a year of full-time employment reflected approximately 1,680 hours. FASEA reduced the total number of hours for the professional year from 1,800 to 1,600, with an increased focus on the practical component of the professional year.

We advocated for greater flexibility in completing the professional year requirements, such as the inclusion of the accelerated progression provisions to recognise previous work or experience undertaken prior to being authorised as a provisional relevant provider and commencing an advisory role. FASEA agreed and included flexibility in the final legislative instrument.

We supported the requirements for structured training FASEA set in the professional year standard but did not support a requirement for 'accredited' education. FASEA agreed and required 'structured' training only in the final standard.

FASEA proposed a minimum of two hours per week of structured training. We opposed this and recommended a minimum requirement was not necessary. FASEA agreed with this.

Continuing Professional Development

ORIGINAL CONSULTATION	FINAL STANDARDS
1 50 hours of CPD p.a.	40 hours of CPD p.a.
2 CPD categories: a. 10 hours for regulatory Compliance and Consumer protection b. 10 hours for Professionalism and Ethics	Reduced minimum hours required to: a. 5 hours for Regulatory Compliance and Consumer protection b. 9 hours for Professionalism and Ethics
3 Maximum of 25 hours for 'formal relevant education'	Maximum of 30 hours for 'formal relevant education'
4 CPD policies to commence 1 Jan 2019	Transitional arrangements
5 No guidance for career breaks	CPD policies must address individuals with extended breaks

The FPA successfully advocated for the following changes to the continuing professional development standard:

- We recommended that instead of the proposed 50-hour minimum requirement, a requirement of a minimum of 30 hours CPD per year be set. This represents an increase for many in the profession and is in line with the minimum CPD requirement that generally applies to members of associations that represent the financial planning profession. As a result, FASEA reduced maximum hours from 50 hours to 40 hours per CPD calendar to achieve similar standards across other professions.
- The FPA believed the maximum hours proposed were restrictive and unrepresentative of the current CPD market. Further, an emphasis on professionalism and ethics risks duplication of activities across other FASEA requirements such as the Code of Ethics course and other code monitoring jurisprudence. As a result FASEA changed the minimum hour requirements.
- FASEA proposed to cap 'formal relevant education' at 25 hours. The practical effect of this limit is that many financial planners will be required to complete an additional 15 hours of CPD activities on top of 240 hours of formal study over the course of a year.
- This is an unreasonable additional burden on planners who are already managing the demands of full-time work, study and exam preparation to satisfy FASEA's new standards and maintaining a healthy personal and family life. As a result, FASEA increased maximum cap for 'formal relevant education' to 30 from 25.
- We recommended new CPD obligations for financial planners and licensees commence no earlier than 1 July 2019, which reflects the start of the existing CPD year for many planners and will give them and their licensees six months to develop new CPD policies, plans and systems. As a result, FASEA implemented transition arrangements for 2019 which will be on a pro-rata basis for licensees whose CPD year is not a calendar year.
- We recommended FASEA include provisions covering how the CPD obligations will apply to planners who have had extended absences (e.g. because of a disability, parental leave or taking a career break).

Approval of foreign qualifications

In a submission from December 2018, the FPA advocated for individuals with multiple foreign qualifications to have them assessed for a single fee, mirroring arrangements with other Department of Education approved bodies that assess qualifications. FASEA agreed to allow multiple qualifications for a single fee and this has been implemented.

Code of Ethics

Between March and June 2018, FASEA consulted on its first draft Code of Ethics followed by a draft legislative instrument from 21 November – 19 December 2018. The final legislative instrument and explanatory statement was registered on 11 February 2019. The FPA actively participated in FASEA's consultation process, providing a number of submissions and advocating directly with FASEA and the relevant Ministers on key concerns.

A major focus for us was advocating to ensure the new FASEA Code of Ethics was reasonable and workable for financial planners to adhere to, while providing safer outcomes for consumers.

While we urged FASEA to release their guidance document on the Code of Ethics, we also developed an FPA member booklet that illustrated the relationship between the three codes that aim to regulate financial advice: FASEA Code of Ethics, TASA Code of Conduct and the FPA Code of Professional Practice.



SUPERANNUATION AND RETIREMENT PRODUCTS REFORM

Some of the FPA engagement in superannuation policy included:

Work test exemption for recent retirees - draft legislation and regulations

The Government sought public comment on legislation and regulations to provide one-year exemption from the work test for superannuation contributions, to allow recent retirees to boost their superannuation balances.

The FPA was supportive of the intent of this policy to allow people who are over the age of 65 to continue to contribute to their superannuation and continue to build their retirement savings. However, we highlighted our concerns that the draft legislation and regulations limited the scope of the application of the measure and added even more complexity and rules to the system, which would impact consumer engagement with their superannuation.

Treasury: Review of early release of Superannuation benefits

This consultation paper looked at three key issues. One of these issues was whether, and if so, the circumstances in which, superannuation should be available to pay compensation to victims of crime. This issue is now being handled through a separate process. A further paper focused solely on victims of crime and superannuation was released for consultation between 28 May and 15 June 2018.

The other two issues raised in the consultation paper were whether the current rules governing the early release of superannuation on compassionate grounds and severe financial hardship grounds remain fit for purpose.

FPA's critical recommendation was that trustees be mandated to release funds to members who have an application for early release on any grounds approved by the ATO.

ASIC Consultation Paper 308: disclosure of fees and costs in product disclosure statements

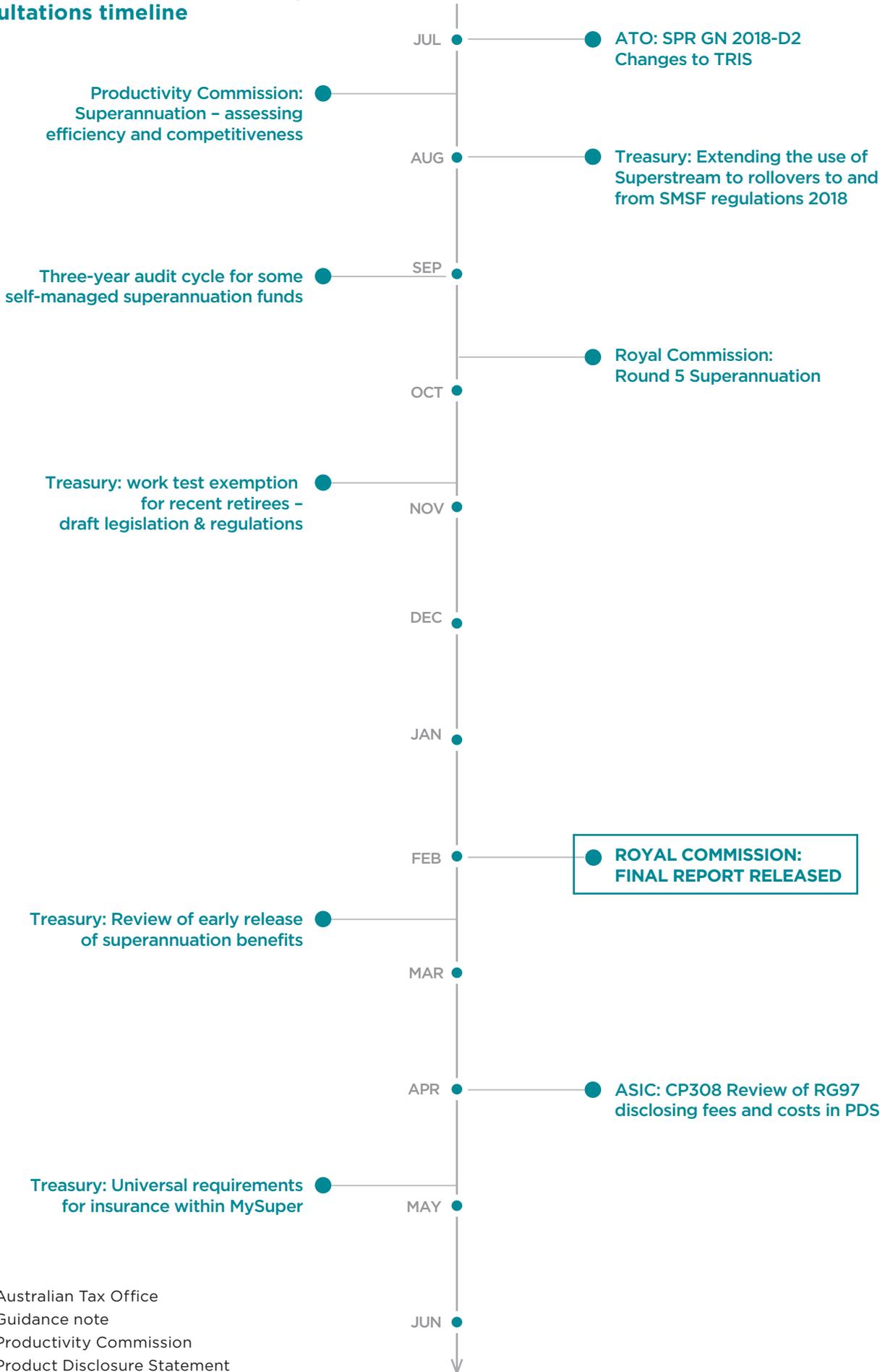
As identified by the Productivity Commission, there remain significant gaps and inconsistencies in how funds report data on fees and costs. Funds that misreport or underreport fees and costs appear, at times, to have gone unpunished. This harms members by making fee comparability and decision making difficult at best, and thus renders fee-based competition largely elusive. The consultation paper reflected ASIC's commitment to ensuring that consumers seeking information on fees and costs receive transparent, useful information that helps them understand fees and costs, compare products, and make confident, informed choices. ASIC also sought to ensure the proposed fees and costs disclosure regime would be practicable for the profession.

The FPA supported the review and highlighted the biggest challenge for planners was the inconsistent approach by which product providers were disclosing their fees, which inhibits financial planners ability to clearly compare costs of financial products. In turn, this impacts financial planners' ability to meet their best-interest duty.

Treasury: universal requirements for insurance within MySuper

The FPA made a submission to Treasury in April 2019 in which we supported the intent of this policy measure and noted it has long called for standardised definitions in life insurance policies to improve consumer understanding, comparability, and engagement with life insurance matters.

Superannuation and retirement products consultations timeline



KEY

- ATO: Australian Tax Office
- GN: Guidance note
- PC: Productivity Commission
- PDS: Product Disclosure Statement

LIFE INSURANCE REFORM

Over 2018/19, life insurance continued to be a regular topic of discussion between government, regulators and the financial services industry. No substantial policy changes have been made since the phasing-in of the Life Insurance Framework on 1 January 2018.

Life insurance was considered by the Financial Services Royal Commission and the FPA made a submission on this subject in October 2018. Our submission argued in favour of better comparability of insurance products through the use of standard disclosures, better consumer protection through target market determinations, improvements to ASIC's approach to breach reporting and sanctions, and support for ASIC's proposed Life Insurance Framework review.

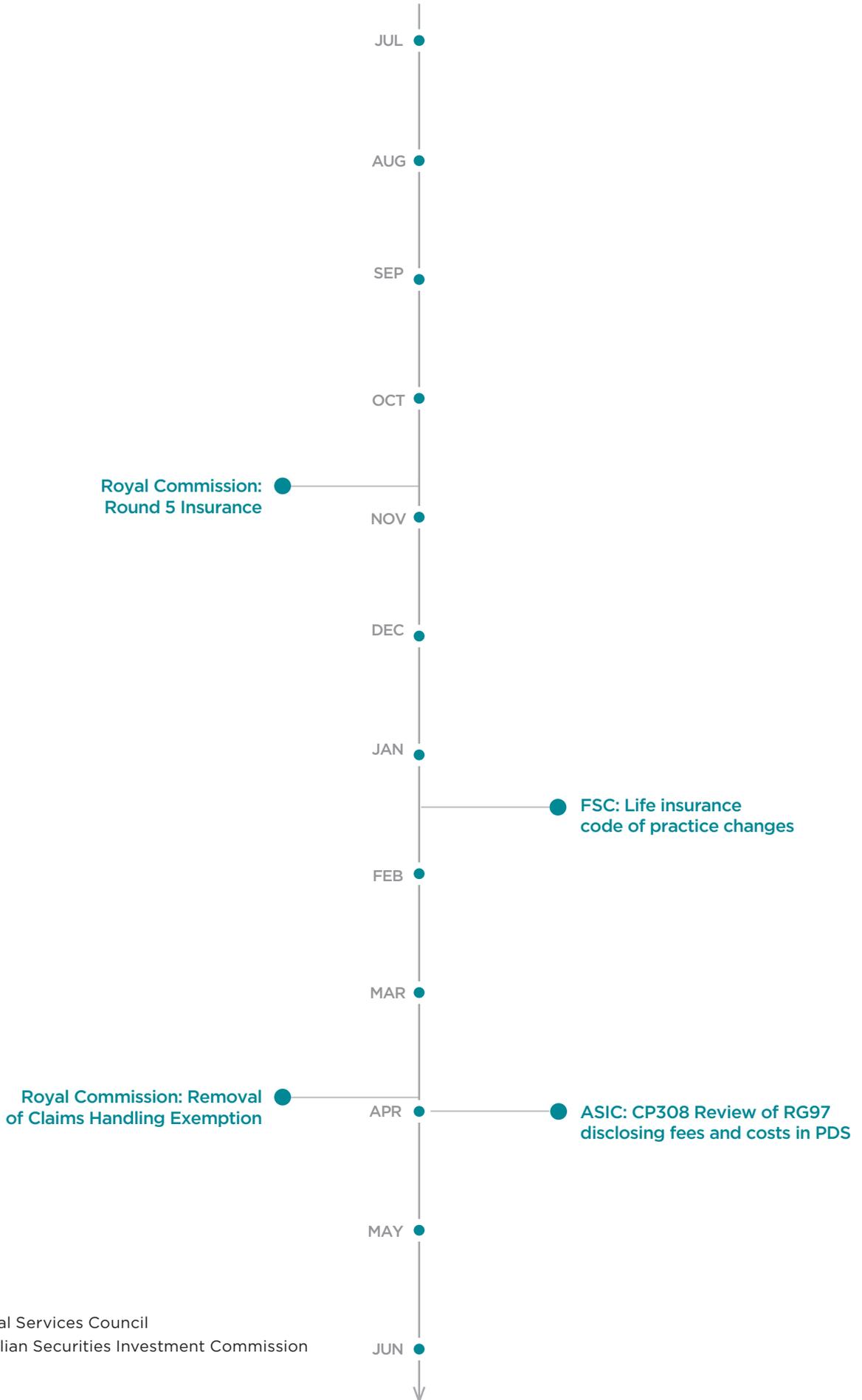
In January 2019, the FPA provided feedback to the Financial Services Council (FSC) as it amended its Life Insurance Code of Practice.

In his final report in February 2019, Commissioner Hayne recommended that in its review of the Life Insurance Framework, ASIC should consider further reductions in commission level with the ultimate goal of reducing commissions on life insurance to zero. The FPA has argued that changes made through the Life Insurance Framework have only recently been implemented and no further changes to commissions on life insurance should occur until ASIC's review is conducted in 2021. The Government has agreed to this position.

The Royal Commission also recommended that the handling and settlement of insurance claims no longer be exempt from the definition of financial services. The FPA made a submission to Treasury on this issue in March 2019 providing in-principle support for the change.

Ahead of the ASIC review of the Life Insurance Framework, we joined with the Association of Financial Advisers in June 2019 to form a Life Insurance Taskforce with the goal of providing a unified industry position on the life insurance review that is informed by evidence and the practical experience of members.

Life insurance consultations timeline



KEY

FSC: Financial Services Council
ASIC: Australian Securities Investment Commission

COMPLAINTS HANDLING

There were several developments in complaints handling and external dispute resolution (EDR) for financial services during 2018/19, including the establishment of the Australian Financial Complaints Authority (AFCA) in November 2018. AFCA replaced three pre-existing EDR schemes: the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO) and the Superannuation Complaints Tribunal (SCT). Financial planners are required to sign up to an approved External Dispute Resolution.

The FPA continued to support practical and streamlined arrangements for complaints handling within financial services and contributed to a range of consultation processes conducted by the Government, including:

AFCA arrangements for comparative reporting of complaint data

In accordance with *ASIC Regulatory Guide 267 (RG 267)* and AFCA's Rules, AFCA must publicly report information about complaints it receives by member firms. The FPA recommended appropriately defining 'accepted' complaints so as not risk the reputation of a member firm before it has had an opportunity to defend the complaint. The FPA sought clarity on AFCA's business sizing metrics and measures and recommended including product classification systems in AFCA's consultation to ensure the categorisation of financial advice is appropriately defined and classified. The FPA recommended AFCA follows the classification included in the ASIC Cost Recovery model and include specific and separate complaint classifications for financial advice.

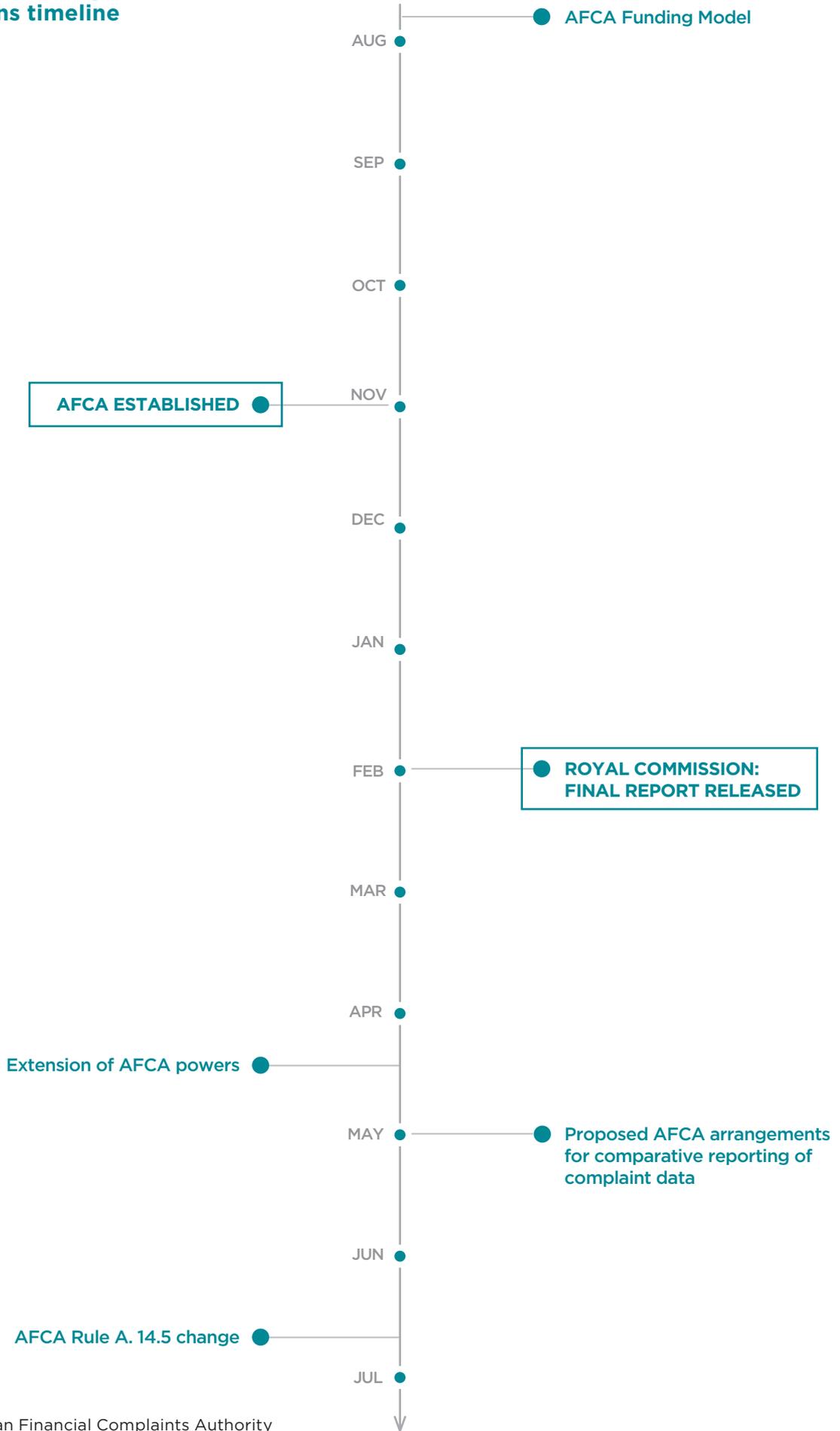
Extension of AFCA powers

In response to the Government's decision to extend AFCA's jurisdiction to include legacy complaints going back to 2008, the FPA raised concerns about whether professional indemnity policies put in place around 2008 will cover these matters. If professional indemnity cover does not extend to legacy complaints under the conditions set in the proposed AFCA rule change, this would have a significant impact on the ability of licensees to pay any monetary determinations made by AFCA in relation to legacy complaints.

AFCA Rule A. 14.5 Change

AFCA proposed to identify financial firms in its published decisions. The FPA recommended greater clarity on the proposed change to Rule A.14.5 to ensure the information included in determinations, and the identity of the relevant firm, are accurate. We recommended the inclusion of a specific provision in relation to financial advice complaints to clarify that AFCA will publish its determinations in a form which identifies only the AFCA member financial firm that provided financial advice to the client and whom the complaint was against.

Complaints handling consultations timeline



KEY

AFCA: Australian Financial Complaints Authority

TAX PRACTITIONERS BOARD

During 2018/19 the FPA provided submissions to the Tax Practitioners Board (TPB) on their Exposure Draft practice notes on:

- Letters of engagement
- Transfers of business by tax (financial) advisers and confidentiality.

The primary concern raised by the FPA was the inconsistency and incompatibility of the proposed TPB requirements with those for financial planners under the Corporations Act.

We highlighted the need for effective regulation that achieves a balance between necessary consumer protection and reasonable regulatory oversight. Confidentiality requirements need to balance the fundamental rights of the client to control how data about them is used, versus the rights of practitioners and business owners to sell a business. This balance must protect consumers while not interfering with the value the practitioner has built into their business.

ENSHRINEMENT OF FINANCIAL PLANNER/ADVISER COMMENCED

After over a decade of advocacy by the FPA, the use of the terms 'financial planner' and 'financial adviser' officially became restricted within the law to those authorised to provide financial advice and listed on the ASIC register. This change in who can call themselves a financial planner or financial adviser commenced on 1 January 2019. If a person claims to be a financial planner or financial adviser without having the appropriate qualifications or authorisations to do so, they will be breaking the law. The commencement of these new restrictions in the law is a significant improvement for consumer protection and represents another step forward in building trust and confidence in the provision of financial advice.

COMMONWEALTH STATUTORY DECLARATIONS

From 18 September 2018, financial planners were granted status to sign statutory declarations under commonwealth legislation. The FPA secured recognition of financial planners as additional categories of people who are authorised to witness a commonwealth statutory declaration, in the new Statutory Declarations Regulations 2018.

Including financial planners on the witnessing list now offers clients a cost-effective and efficient process for legally verifying important documents. Previously clients had to find an authorised witness, often at additional unnecessary expense and inconvenience.

ROYAL COMMISSION INTO MISCONDUCT IN THE BANKING, SUPERANNUATION AND FINANCIAL SERVICES INDUSTRY

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established on 14 December 2017 and operated until February 2019. The FPA was an active participant throughout the Royal Commission process and provided profession views and insights on a range of critical topics.

During September and October 2018, the FPA made submissions to the Royal Commission in response to questions it had on the superannuation and insurance industries. The FPA also provided a submission in response to the Royal Commission's interim report released in September 2018.

Commissioner Hayne handed down his final report in February 2019. The FPA issued a *Royal Commission Wrap* for its members to help them understand Commissioner Hayne's 76 recommendations and how they may affect the financial planning profession.

Shortly after the release of the final report, the Government committed to taking action on all 76 recommendations. Treasury formed a Royal Commission Taskforce to consider the recommendations and advise the Government on appropriate implementation.

The Taskforce conducted consultation on the following issues prior to the Government going into caretaker mode ahead of the May 2019 federal election:

Recommendation 4.8 - Removal of claims-handling exemption

The FPA made a submission to Treasury in March 2019 in which it supported applying section 912A of the Corporations Act 2001 to all aspects of the provision of life risk insurance, including the handling and settlement of insurance claims, as it would offer significant protection benefits and consistency for consumers.

Recommendation 4.9 - Enforceable code provisions

We provided a submission to Treasury in April 2019 in which it supported the ability to make 'enforceable code provisions' and that, where identified, mandatory financial services industry codes would be required to better protect consumers, raise standards above minimum legal requirements and hold financial services providers accountable for misconduct and poor consumer outcomes as defined by their peer group.

Recommendation 4.13 - Universal terms for insurance in superannuation

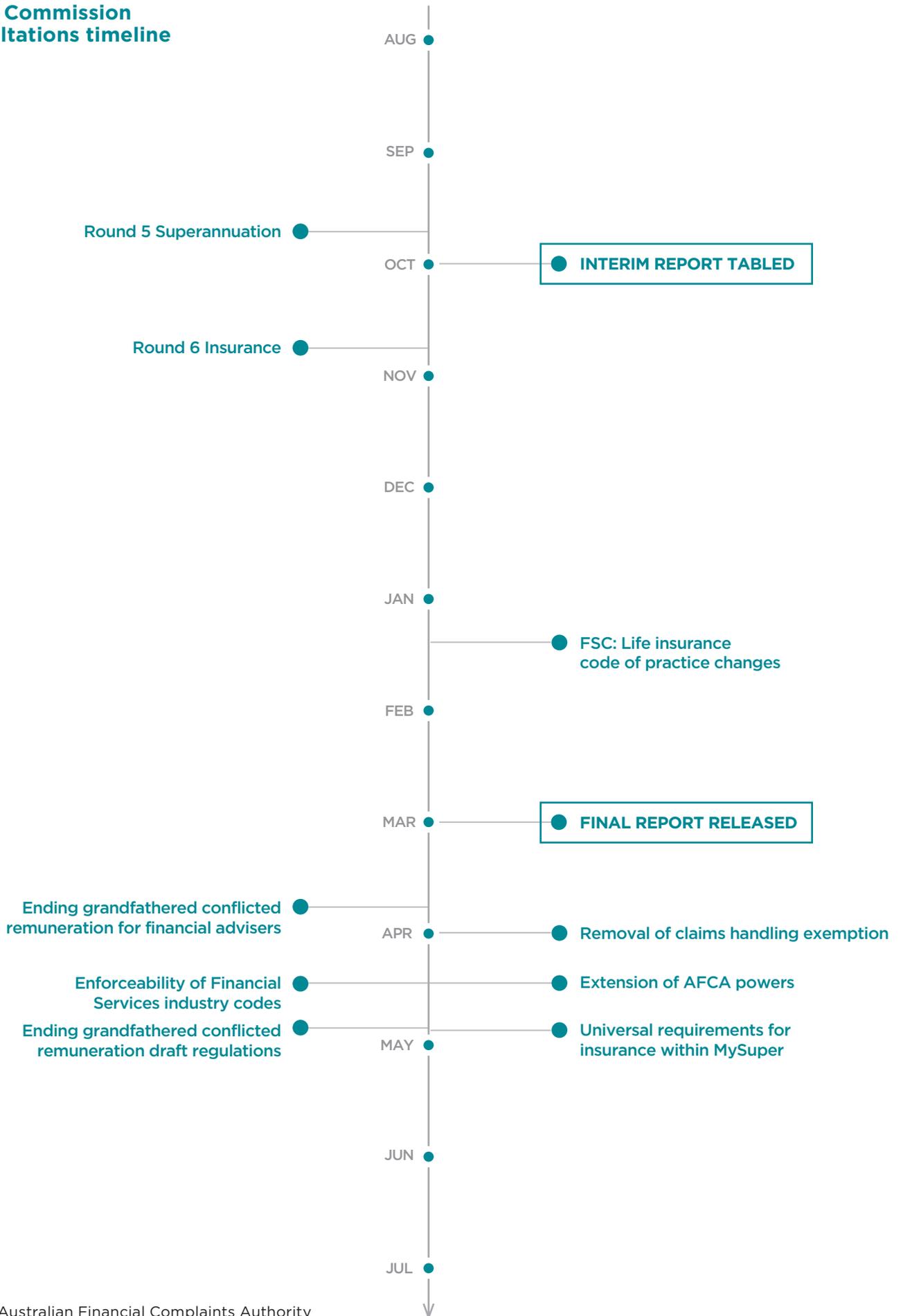
We made a submission to Treasury in April 2019 in which it supported the intent of this policy measure and noted it has long called for standardised definitions in life insurance policies to improve consumer understanding, comparability, and engagement with life insurance matters.

Recommendation 2.4 - Grandfathered commissions

In March and April 2019, we provided submissions to Treasury as it consulted on draft legislation and regulations to end the grandfathering of commissions on investment products. We supported the end of grandfathered commissions, conditional on there being an appropriate phasing-out period and that consumers are left better off by the change.

During April 2019, the FPA also provided a submission to AFCA on its proposed rule changes that would allow it to consider legacy complaints dating back until 1 January 2008, as recommended by the Royal Commission. The FPA broadly supported these rule changes as a method of allowing unresolved complaints to be appropriately addressed.

Royal Commission consultations timeline



KEY

AFCA: Australian Financial Complaints Authority

GOVERNMENT PARTICIPATION

FPA Government committee participation in 2018/19

COMMITTEE	GOVERNMENT AGENCY	PURPOSE
Consultative forum	Tax Practitioners Board (TPB)	A forum for the TPB to discuss matters relating to its role in regulating tax advice with its Recognised Associations.
Financial adviser forum	TPB	A forum of key stakeholders for the TPB to discuss the regulation of financial advice under the Tax Agent Services Act.
ASIC National Financial Literacy Stakeholder Working Group	ASIC	A working group to assist ASIC efforts around improving financial literacy.



PUBLIC SUBMISSIONS

48



CONFIDENTIAL SUBMISSIONS

4



FORMAL GOVERNMENT MEETINGS

42

PLUS NUMEROUS INFORMAL MEETINGS



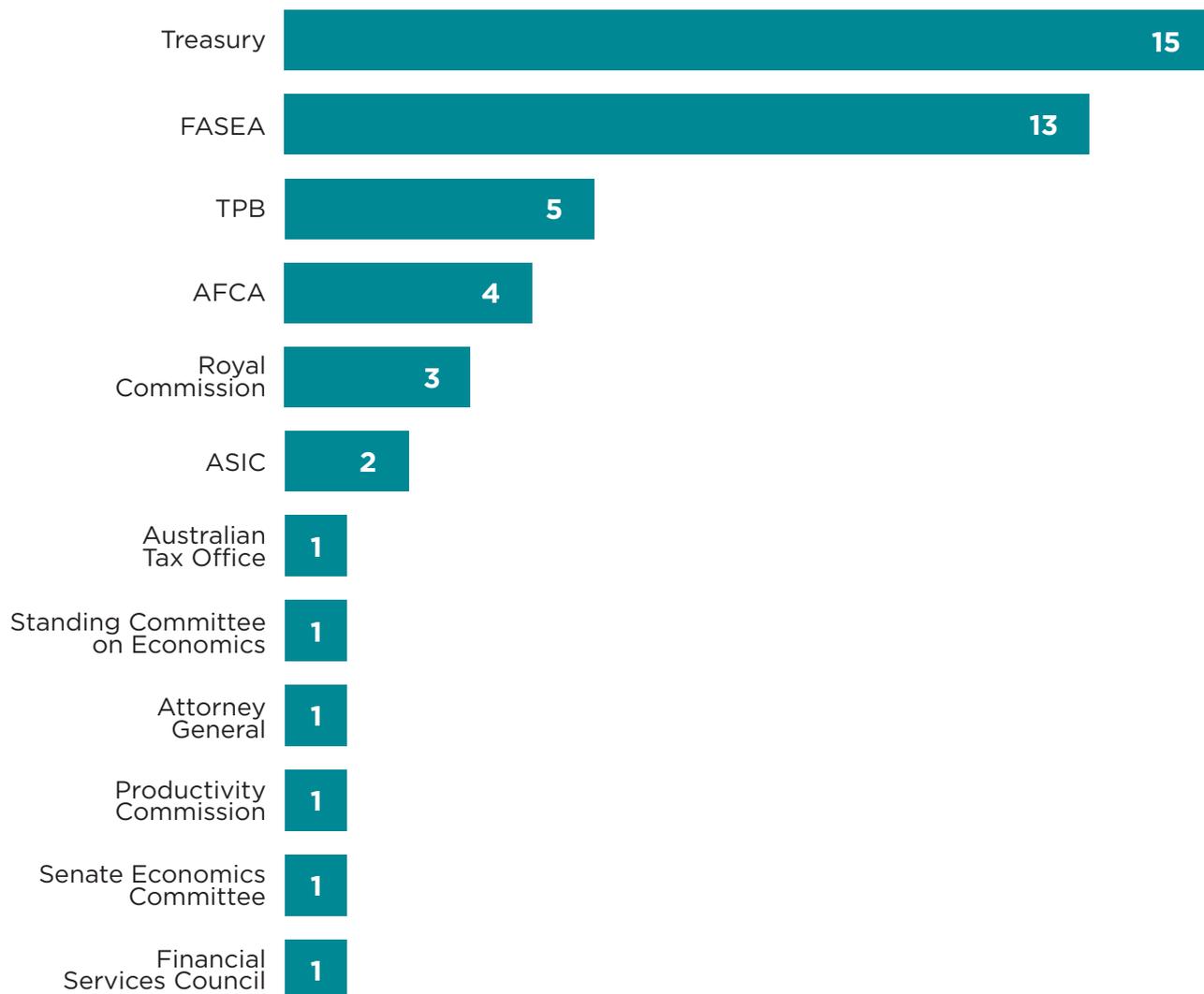
STAKEHOLDER VISITS

217

Public submissions in 2018/19

This year we produced 44 public submissions and four private submissions to Government, Treasury, ASIC, FASEA, TPB and other regulators, plus countless informal submissions and letters to Government and other stakeholders.

Number of submissions to each stakeholder



KEY: AFCA: Australian Financial Complaints Authority; ATO: Australian Tax Office; TPB: Tax Practitioners Board

Summary of submissions in 2018/19

DUE DATE	SUBMISSION
JULY 2018	2 ATO: SPR Guidance Note 2018-D2 – Changes to Transition to Retirement Income Streams
	9 Attorney-General: Statutory Declaration Regulations Review
	13 Productivity Commission: Superannuation – Assessing Efficiency and Competitiveness
	27 AFCA: Funding Model
31 FASEA: Exam consultation	
AUGUST 2018	3 Treasury: Extending the use of SuperStream to rollovers to and from Self-Managed Superannuation Funds Regulations 2018
	9 TPB: Legislative Instrument for tax (financial) advisers
	15 Treasury: Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Power) Bill 2018
	17 FASEA: Provisional Advice Provider
	17 FASEA: Professional Year
	31 Treasury: Three year audit cycle for some self-managed superannuation funds
	31 FASEA: Continuing Professional Development
	31 FASEA: Foreign Qualifications
SEPTEMBER 2018	21 Royal Commission: Superannuation
OCTOBER 2018	18 Senate Economics Legislation Committee: Treasury Laws Amendment (Design & Distribution Obligations & Product Intervention Powers) Bill 2018
	25 Royal Commission: Insurance
	26 Royal Commission: Interim Report
	26 Treasury: Work test exemption for recent retirees – Draft legislation and regulations
NOVEMBER 2018	13 Treasury: Design and Distribution Obligations and Product Intervention Powers Regulations 2018
	30 FASEA: Work and Training (Professional Year) Legislative Instrument
	30 FASEA: Provisional Relevant Provider Expression Legislative Instrument

DUE DATE	SUBMISSION
DECEMBER 2018	7 FASEA: Continuing Professional Development Legislative Instrument
	14 FASEA: Relevant Providers Degrees, Qualifications and Courses Standard legislative Instrument
	14 FASEA: Foreign qualifications
	19 ASIC: Update to Regulatory Guide 105 Licensing: Organisational competence (RG 105)
	19 FASEA: Code Of Ethics Legislative instrument 2018
	21 FASEA: Relevant Providers Exam Draft Legislative Instrument
JANUARY 2019	12 FSC: Life Insurance Code of Practice changes
FEBRUARY 2019	1 Treasury: 2019-20 Pre-Budget Submission
	8 ASIC: Industry Funding Model and Registry Search Fees - Amendment
	15 Treasury: Review of Early Release of Superannuation benefits
MARCH 2019	22 Treasury: Ending Grandfathered Conflicted Remuneration for Financial Advisers
	29 Treasury: Removal of Claims Handling Exemption
APRIL 2019	1 FASEA: Draft Relevant Providers Degrees, Qualifications and Courses Standard(Amendment No. 1) Legislative Instrument
	2 ASIC: CP308 Review of RG97 Disclosing fees and costs in PDs
	12 Treasury: Enforceability of financial services industry codes
	12 AFCA: Extension of AFCA powers
	25 Treasury: Ending Grandfathered Conflicted Remuneration Draft Regulations
	26 Treasury: Universal requirements for insurance within MySuper
	26 ASIC: Funding model - draft Cost Recovering Implementation Statement
MAY 2019	3 AFCA: Proposed AFCA arrangements for comparative reporting of complaint data
JUNE 2019	7 TPB: Exposure Draft TPB practice note TPB(PN) D40/2019 Letters of engagement
	7 TPB: Exposure Draft TPB practice note TPB(PN) D41/2019 Transfers of business by tax (financial) advisers and confidentiality
	20 AFCA: Rule A. 14.5 Change



**PROFESSIONAL
STANDARDS**

PROFESSIONAL ACCOUNTABILITY

The FPA remains committed to informing members and the community of the trends and outcomes of complaints and disciplinary action in the financial planning profession.

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 complaints may be made by other FPA members, or 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. If a breach is proven to the satisfaction of the panel, it may impose sanctions against the member, ranging from reprimand through to requiring professional education and supervision, fines and expulsion from membership in the most egregious matters.

We also offer an anonymous online service for reporting suspected misconduct, called FPA Confidential. It is available to FPA members and the general public.

FPA Confidential continues to serve an important role in assisting the FPA to identify professional misconduct. The online portal is externally hosted by Deloitte Touche Tohmatsu.

In 2018/19, the FPA's Professional Accountability program resulted in the following activity and results:

28 formal complaints. Of these 28 formal complaints, eight were either initiated by the FPA or continued by the FPA where the complainant withdrew their complaint against a Member.

The FPA's Professional Accountability program also included the following activity:

Conducted 50 advice reviews as part of the FPA Professional Practice program.

Reviewed four Professional Practice applications and 18 individual member applications (by exception). Due diligence background checks ensure prospective Members meet the standards of FPA Membership. During checks, four applicants withdrew their application when details of their previous conduct was investigated, while one was declined admission to the FPA.

We automatically terminated the membership of 10 FPA members by operation of the Automatic Termination provisions of the FPA Constitution. (Refer to Table 1.)

Of the 24 ASIC bans in 2018/19, only two related to individuals who were FPA members at the time of the banning. The two Members were Mr. Tai Nguyen CFP® who received a permanent ban, and Mr. Frazer Muscat AFP®, who received a five-year ban. Mr. Muscat subsequently had his Membership terminated in early July 2019.

CONDUCT REVIEW COMMISSION

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In September 2018, the then Deputy Chair of the CRC, Dale Boucher concluded a review of the FPA Disciplinary Regulation (2016) against the broader FPA disciplinary framework. As a result, the Disciplinary Regulation was updated and endorsed by the FPA Board, effective 1 January 2019. This report on the FPA Disciplinary Regulations is available on the FPA website.

In April 2019, Graham McDonald stepped down as Chair of the CRC – a position he had held since September 2017. Graham now holds the position of Deputy Chair, and Dale Boucher has taken on the position of CRC Chair.

During the 2018/19 financial year, the CRC conducted three disciplinary hearings where the following determinations and sanctions were made:

CRC_2018_01 – Sam Henderson AFP® (331878)

CRC disciplinary hearing into the conduct of Sam Henderson was held in August 2018.

- Sam Henderson was found to be in Breach of nine of the 10 allegations of Breach brought by the FPA.
- Sam Henderson was sanctioned by the CRC and ordered to pay collective fines of \$50,000, and pay the FPA costs and expenses.
- Sam Henderson did not appeal the Breach determination or sanction.
- Sam Henderson has complied with the CRC sanction to pay the FPA for costs and expenses, and fines imposed.

CRC_2018_02 – Dianne Bainbridge AFP® (339765)

CRC disciplinary hearing into the conduct of Dianne Bainbridge was held in October 2018.

- Dianne Bainbridge was found to be in Breach of one of the three allegations of Breach brought by the FPA.
- Dianne Bainbridge was sanctioned by the CRC and received a six-month suspension of Membership, required to conduct professional education, and ordered to pay the FPA costs and expenses.
- Dianne Bainbridge did not appeal the Breach determination or sanction.
- Dianne Bainbridge has complied with the CRC sanction to reimburse the FPA for costs and expenses.

CRC_2019_01 – Matthew Brown CFP® (029315)

CRC disciplinary hearing into the conduct of Matthew Brown was held in September 2018.

- Matthew Brown was found to be in Breach of seven of the 13 allegations of Breach brought by the FPA.
- Matthew Brown was sanctioned by the CRC and received a two-year suspension of FPA membership, he was required to provide a written apology, complete additional training, and ordered to pay the FPA costs and expenses.
- Matthew Brown did not appeal the determination or sanction.
- Matthew Brown has complied with the CRC sanction to reimburse the FPA for costs and expenses.

Table 1: Automatic Termination pursuant to FPA Constitution

Under the FPA Constitution, members may be automatically terminated upon entering administration or personal bankruptcy; being banned by ASIC; being dismissed or having their authorisation revoked by their authorising AFSL because of a breach of the law; failing to comply with a disciplinary sanction; and for other reasons.

The following table shows details of automatically terminated members during the year and the relevant clause of the FPA Constitution detailing the reason:

MEMBER NAME	FPA MEMBER ID	MEMBER CATEGORY	EFFECTIVE DATE	REASON
Neil Evans	015177	CFP®	10/07/2018	Fit and proper person
Harry Matsoukas	037872	CFP®	3/09/2018	Authorisation revoked by AFSL – Breach of law
Leanne McDonald	030567	CFP®	4/09/2018	Authorisation revoked by AFSL – Breach of law
Pheaktra (Patrick) Sem	356583	AFP®	4/09/2018	Authorisation revoked by AFSL – Breach of law
Brett Gordon	013268	CFP®	4/09/2018	Fit and proper person
Rudolph Hopfner	356820	Allied Professional	18/02/2019	Ceases to satisfy eligibility criteria
Maria Cheer	350947	AFP®	1/03/2019	Ceases to satisfy eligibility criteria
James Harman	009650	AFP®	1/03/2019	Ceases to satisfy eligibility criteria
Ian Haisman	347152	AFP®	1/03/2019	Ceases to satisfy eligibility criteria
Tai Thanh Nguyen	025424	CFP®	1/03/2019	Banning order under Corporations Act

ACADEMIC MISCONDUCT INVESTIGATIONS

In 2018/19, the FPA education team referred five instances of academic misconduct which were investigated and referred to the Professional Designation Committee (PDC).

The outcomes and sanctions imposed by the PDC were as follows:

Two students were found to have plagiarised parts of their assignment in the summer semester of CFP® 4 – Investment Strategies, in that they reproduced work that was not entirely their own work, and were found to reasonably have reproduced work of a former student. A sanction of fail and repeat applied in both instances.

Two students were found to have plagiarised their assignment in the summer semester of CFP® 4 – Investment Strategies, in that they failed to adequately cite sources of material used in preparation of their assignment. In both cases the students engaged the act of duplicating the thoughts or work of another, and including directly copying work. Again, the sanction of fail and repeat applied in both instances.

One student was found to have plagiarised significant parts of their assignment in the CFP® Certification. The student was found to have reproduced work that was not entirely their own work, and were found to reasonably have reproduced work of a former student. A sanction of fail and repeat applied in this instance.

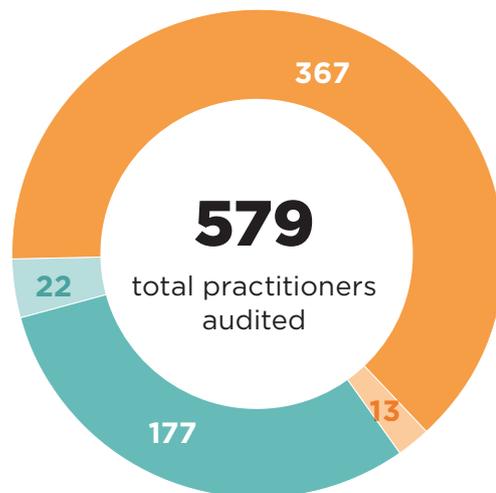
CPD AND DESIGNATIONS AUDIT

Maintaining high professional development standards within the FPA membership is an important priority. During the year, we conducted two Continuing Professional Development (CPD) audits in September 2018 and March 2019. The auditing process is primarily designed to help practitioner members meet their CPD obligations, and ensure correct use of FPA and CFP® certification branding.

The FPA works closely with members to obtain a favourable outcome in relation to a CPD audit. If a member’s CPD record is found to be in deficit and they fail the audit, the member will be asked to prepare a plan to rectify this and the member will be audited again in the next available audit. If the member fails the audit a second time, the matter will be referred to the FPA Professional Accountability team for potential disciplinary action.

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

Audit results for 2018/19



CFP® Professionals

- 367 passed
- 13 failed

AFP® Financial Planners/FPA Associates

- 177 passed
- 22 failed



**SERVICE TO
THE COMMUNITY**

From financial literacy and capability initiatives, to encouraging a career in financial planning, many FPA members are active contributors in local schools and universities.

CONNECTING WITH YOUNG AUSTRALIANS

Primary and high school engagement

To bring interactive financial literacy to primary school children, the FPA continued our partnership with Banqer, an online tool that helps teachers deliver financial literacy in an engaging and relevant way.

Banqer software transforms the classroom into a mini-economy where students transact with one another from their own fictional online bank accounts. From there, they experience budgeting, taxes, super, mortgages and much more.



1,390+
PRIMARY SCHOOL STUDENTS
ACCESSED BANQER

FPA members supported over 54 primary schools by introducing the Banqer program to them, resulting in 1,390 active primary school students accessing the program.

In the high school space, this year we began to make direct connections with career advisers to help increase student awareness of the various careers options within financial planning to help grow the further pipeline for the profession.

This year we engaged with careers advisory departments at 35 schools across the country.



ENGAGED WITH
35
SCHOOL CAREERS
ADVISORY
DEPARTMENTS

To help address financial literacy needs of high school students, the FPA has produced a trivia-style presentation titled *Students vs Financial Responsibility* to enable FPA members to present these skills in a fun and engaging manner at a local high school.

FPA/CANCER COUNCIL PRO BONO FINANCIAL PLANNING SERVICE



77
MEMBERS HELPED
150 CLIENTS AFFECTED
BY CANCER

This year, we continued our partnership with the Cancer Council through the Pro Bono Financial Planning Referral Service. The nationally structured referral program helps families affected by cancer who are unable to afford the cost of financial advice, by connecting them with financial planners who can provide their services on a *pro bono* basis.

There were 77 CFP® professional and Financial Planner AFP® members and 81 organisations involved with the program during the year. We sincerely thank all the participants for generously donating their time to assist in the program and help cancer patients and their families with a wide range of financial issues on a *pro bono* basis.

These members have assisted with 150 client referrals and offered help in areas such as accessing Centrelink benefits and applying for early access to superannuation and attached insurance benefits.

FUTURE2 FOUNDATION



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

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

Since 2007, Future2 has committed over \$1 million in grants to grassroots programs. With support from the FPA's members, Future2 helps fund projects that contribute to skills training, financial literacy, work experience, community service, mentoring and much more.

During 2018/19, FPA members and the wider financial planning community from across Australia contributed to Future2 through donations, involvement in fundraising activities and by nominating organisations for the annual grant program. We particularly acknowledge and thank the FPA Chapters for their strong commitment and financial support towards Future2.



\$180k
IN GRANTS TO HELP
YOUNG AUSTRALIANS
IN NEED IN 2018



\$1M +
IN GRANTS HAS BEEN
PROVIDED TO DATE

Grant making

Future2 awarded \$180,000 grants in 2018 to 19 charity organisations, including three special drought relief grants to organisations helping young people in affected rural areas. This is the highest number of grants provided in one year.

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

Future2 highlights for 2018/19 include:

Overall fundraising received was \$404,196. This was an increase from \$399,119 in 2017/18

FPA delivered four flagship Future2 State events with FPA members, plus six golf days around the country. The WA Chapter Melbourne Cup lunch alone raised \$18,238.

The 2018 Future2 Celebration, during the FPA Professionals Congress, raised \$68,989, including event sponsorship from BT and fundraising from auctions and raffles.

The 2018 Future2 Wheel Classic cycling challenge was ridden from Canberra to Sydney. 20 riders travelled 1,010km over eight days and raised \$122,073 after expenses, from donations and corporate sponsorship. Future2 gratefully acknowledges its Wheel Classic Gold sponsor MLC, as well as Silver sponsors IRESS and Netwealth.

For the second year, Future2 organised a Hiking Challenge, this year through the Blue Mountains. The hike took place in November with 16 participants trekking over two days and raising \$24,308 for Future2.

FPA Chapter events raised \$93,715 for Future2 from donations, pledges and raffles through the hard work of our FPA Chapter Chairs and committees.

Donations from FPA members during membership renewals decreased in 2018; a total of \$38,261 was received.

In 2019 our valued Future2 Foundation Silver Partners contributed \$24,000. Thank you to Netwealth, TAL, Story Wealth Management, Airlie Funds Management and MLC Life Insurance.



**CONNECTING
WITH CONSUMERS**

Money & Life aims to empower Australians to improve their financial understanding and seeks to grow the marketplace for financial advice.

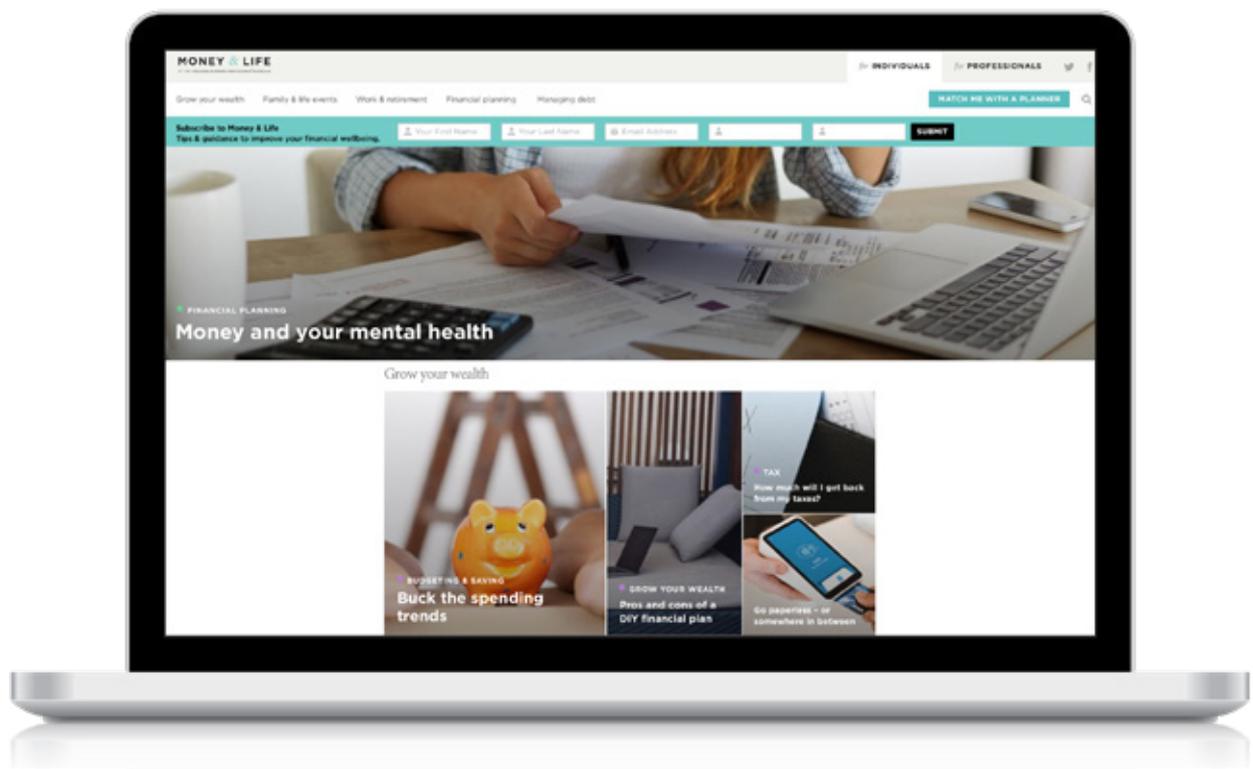
MONEY & LIFE

Money & Life is the FPA’s digital content platform dedicated to helping Australians improve their financial wellbeing, and demonstrating the important role a financial planner plays.

The site offers a range of formats including articles, videos, quizzes, infographics and eBooks which are provided free. The content offers practical tips and inspiring real-life stories to help Australians improve their financial capability, learn about the benefits of financial advice and sign up for the regular e-newsletters.

The site also caters for financial planning professionals – publishing industry news, insights and analysis, and providing access to CPD articles and quizzes.

During 2018/19, the site achieved consistent month-on-month growth in audience reach and engagement, through a combination of paid advertising and organic posts on social media.



MONEY & LIFE



+32%
YOY

383,000
WEBSITE VISITS

ON OUR BEST DAY WE
CONNECTED WITH WITH

4,012
PEOPLE



13,073
CONSUMER
EMAIL SUBSCRIBERS



13,168
PROFESSIONAL
EMAIL SUBSCRIBERS

MOST POPULAR
CONTENT CATEGORY

**LIFE AFTER
WORK**



1 MIN **50** SEC
AVERAGE TIME ON SITE

MATCH MY PLANNER

The FPA's new *Match My Planner* service was launched in April 2019 – an online service facilitating a new way for consumers to connect with a financial planner.

Following the success of the existing *Find a Planner* tool, the new service was developed to provide a more intuitive and meaningful way to help consumers interact with a financial planner in a safe environment where they can control the conversation without feeling committed, in order to choose a financial planner to suit their needs.

Our previous location-based *Find a Planner* directory has been very successful, averaging 6,900 searches, 14,500 profile views and 40 direct messages per month. However, FPA consumer research revealed consumers searching for a planner tend to use six distinct filters when making their decision: trust, comfort, tailored recommendations, rapport, impartiality and reputation. The new tool aims to better address these needs.

Match My Planner uses a UX-based research approach to match people online with a CFP® professional based on a personalised profile of money and life goals, and location. It allows a dialogue approach so consumers can ask questions and interact with a financial planner who has been matched to them based on their needs and wants.

Consumers access the service at matchmyplanner.com.au. CFP professionals connect via the *Match My Planner* app, which sends notifications when an interested consumer creates an online profile.

The first iteration of *Match My Planner* has been launched to CFP® professionals only. The tool will be extended to include all FPA practitioner members in the future.

IN THE THREE MONTHS
SINCE LAUNCH



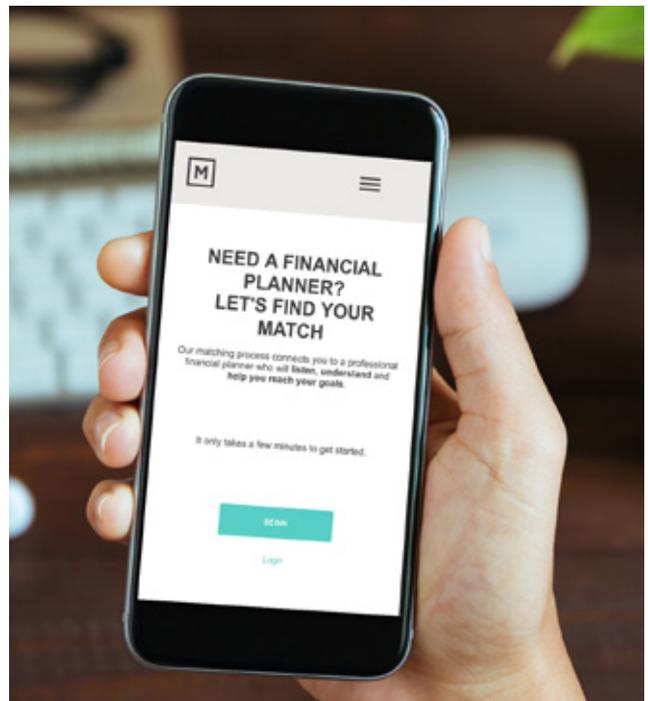
1,072

CFP® PROFESSIONALS HAVE
DOWNLOADED THE APP



165

CONSUMERS HAVE USED
THE SERVICE



NATIONAL CONSUMER ADVERTISING

The FPA’s annual national consumer advertising campaign continued this year, designed to increase awareness of the CFP® designation among consumers.

Demonstrating how financial planners can help Australians during pivotal life stages was the strategic focus of the marketing and communications strategy for the FPA this year.

This strategy commenced with a national advertising campaign targeting couples. This was a tactical shift in target audience to respond to the current environment faced by the financial services sector.

Past FPA advertising typically sought to connect with Australian ‘wealth accumulators’ and ‘pre-retirees’ aged 40- to 65-years. Following a strategic environmental review, research indicated this demographic was one of the most affected by the outcomes and news of the Royal Commission and their level of trust in the financial planners saw the most significant decline.

The research also indicated a high value opportunity within a new audience, the next generation of financial planning clients. As a result, we implemented a campaign to connect with 25- to 35-year-old Australians, predominantly those in a relationship, and further tailored to females.

The research showed this segment has high engagement with the FPA’s websites, content and past advertising. This segment also has a strong desire to become more confident in understanding financial matters and are open to receiving advice from experts. This demographic also did not see a dramatic drop in their level of trust in financial planners and they paid the least attention to the media coverage of the Royal Commission.

The integrated, multi-channel advertising campaign designed for couples ran from April to June 2019 with digital, outdoor and audio/podcast advertising, supported by media relations, Google search ads, digital content including an eBook, and the launch of the new *Match My Planner* service.

Funded by a marketing levy from CFP® professionals, the campaign messaging inspired couples to create a Pronup – the FPA’s newly coined term, which is essentially a financial plan that helps couples navigate the financial complexity of a relationship using the services of a CFP® professional. Most are aware of a Prenup, but a Pronup is a new way of inspiring couples to proactively and positively invest in their financial future together.



+10.7M
AUSTRALIANS SAW
OUTDOOR ADS



322,000
PODCAST ADS
HEARD



851
EBOOK
DOWNLOADS



2,300
AD CLICKS

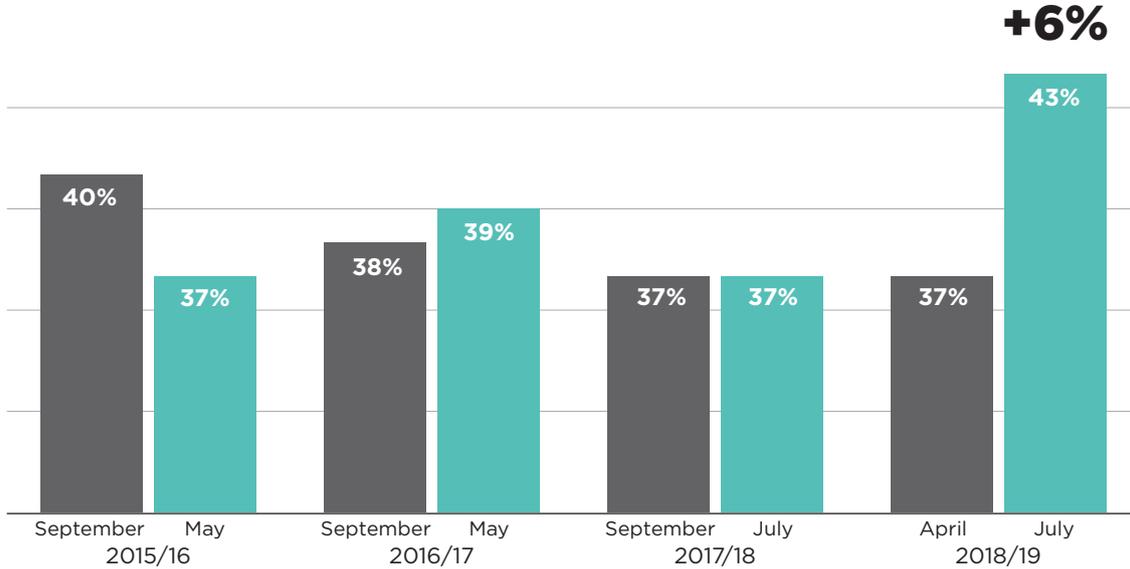


659
OUTDOOR ADS

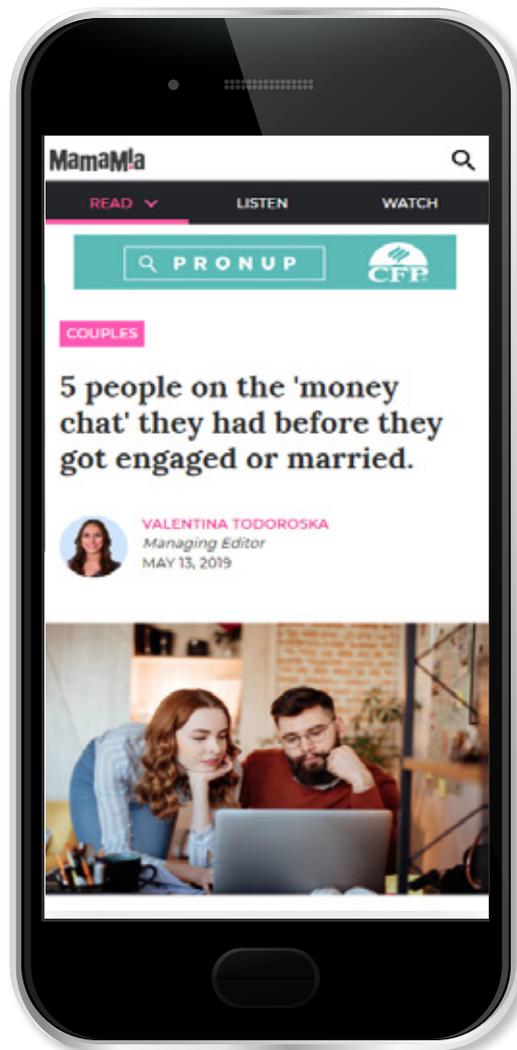
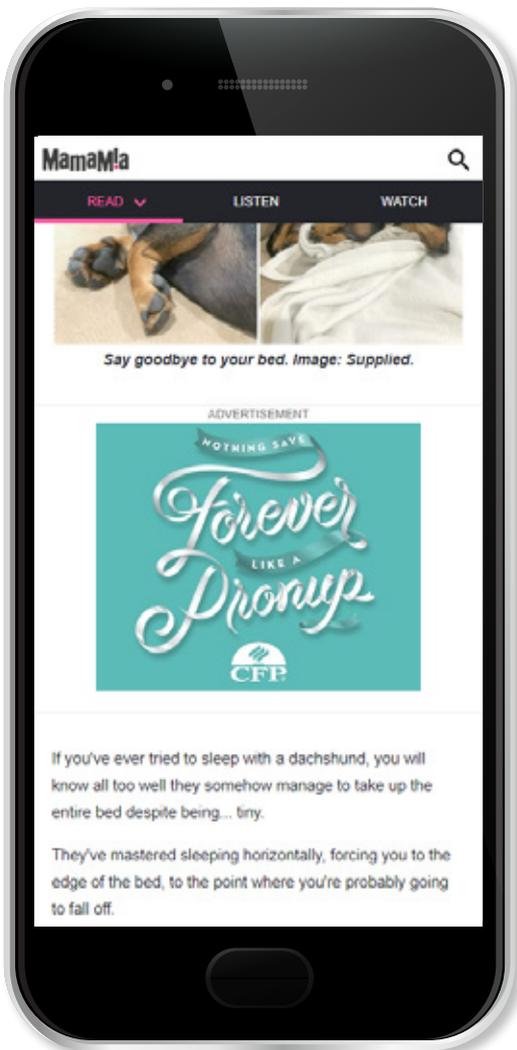
Consumer awareness of CFP® brand

According to CoreData research, our target to increase consumer awareness of CFP® mark by 5% was exceeded.

6% increase achieved:



Online advertising



FINANCIAL PLANNING WEEK

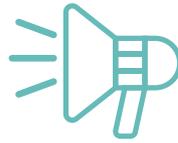
The FPA's 18th consecutive Financial Planning Week (20-26 August 2018) focused on encouraging Australians to 'Share the Dream' with the next generation and evaluate our role in the future financial wellbeing of the younger generation.

During the week, we shared money wisdom and practical tips with people raising the next generation, so they can pass on the financial habits and skills that children need later on in life.

The Financial Planning Week campaign included the release of new national sentiment research commissioned by the FPA to uncover and better understand our nation's readiness for the future of money. The research included insights into how much pocket money the average Australian child receives and this generated a huge amount of media coverage.

We published an eBook with advice, tips and activities to inspire Australians to talk money with their kids in a tangible way and to combat the invisible nature of our increasingly digital economy.

Other campaign elements included videos, social media activity, content on the FPA's *Money & Life* website, including an interactive quiz.



MEDIA CLIPS NATIONALLY:
TV/RADIO/PRINT/ONLINE

491



TOTAL COMBINED
POTENTIAL MEDIA REACH

156M



9 LIVE TV SEGMENTS
ON SUNRISE,
TODAY, NINE NEWS
AND STUDIO 10



EBOOK DOWNLOADS

2,000+



PROFILES VIEWED
ON FIND-A-PLANNER

19,000+

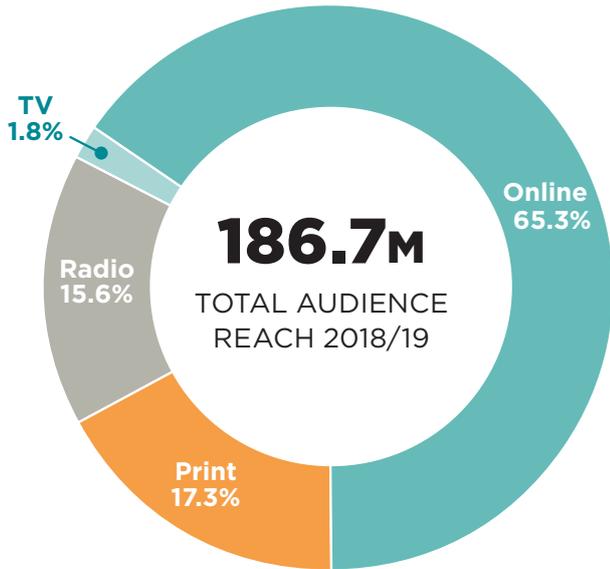
HIGHEST VIEWED IN A MONTH SINCE LAUNCH



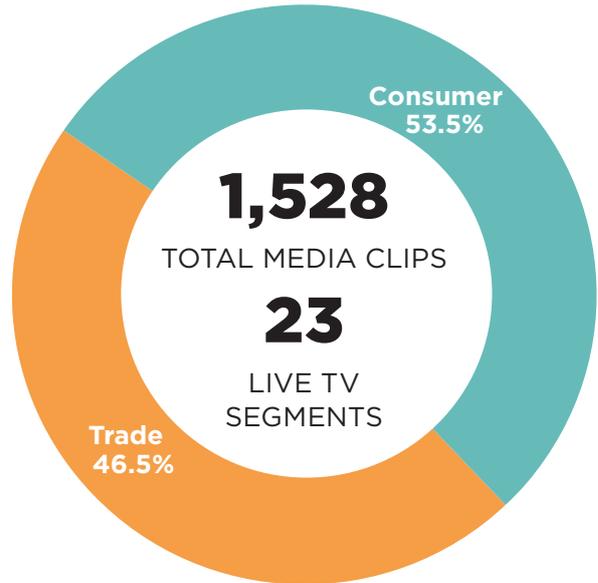
MEDIA RELATIONS

Our media relations efforts in 2018/19 saw us engage proactively and reactively with a wide range of trade and consumer media to provide expert commentary on financial planning matters, secure positive news coverage and achieve a consistently dominant share of voice for the FPA. In particular, CERTIFIED FINANCIAL PLANNER® professionals were regularly offered by the FPA to media for comment on a range of topics.

Total Audience Reach 2018/19



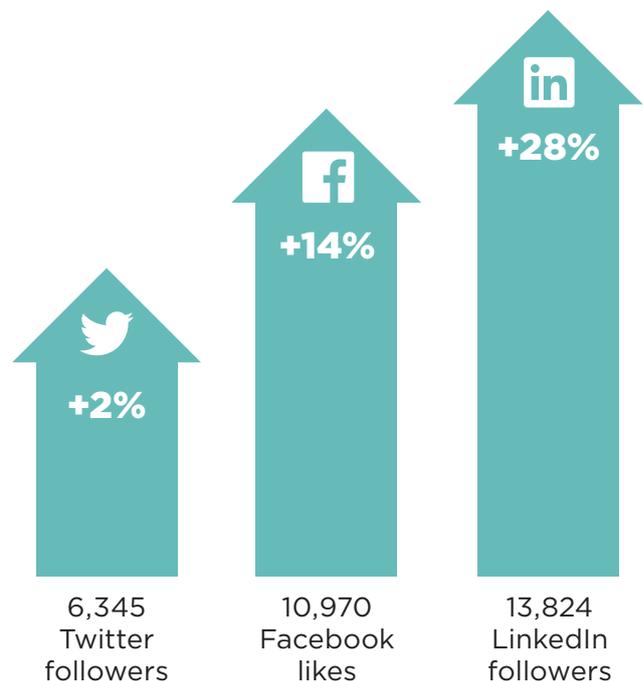
Total Media Clips



SOCIAL MEDIA

Connecting with FPA members via Twitter and LinkedIn provides another channel for members to be updated on the latest developments and FPA announcements, as well as enabling direct conversation with members.

To support our consumer outreach programs, Facebook is our designated social channel and our connections on this platform continue to grow. Facebook advertising has been integral to sharing the content available to consumers on our *Money & Life* website, our online portal to educate and empower Australians to improve their financial wellbeing.





FINANCIAL STATEMENTS



FINANCIAL PLANNING ASSOCIATION
OF AUSTRALIA LIMITED

(Limited by guarantee)

ABN 62 054 174 453

FINANCIAL STATEMENTS

for the year ended 30 June 2019

FINANCIAL PLANNING ASSOCIATION OF AUSTRALIA LIMITED

ABN 62 054 174 453

DIRECTORS

M. Broome *Chair*

J. Bowd

A. Henderson

N. Kendall *Chair* (retired 21 November 2018)

D. Newton

M. O'Toole (retired 2 April 2019)

P. Pledge (retired 31 December 2018)

M. Tate-Loverly

P. Ruiz (appointed 1 January 2019)

D. Sharpe

COMPANY SECRETARY

P. Lovett

Registered Office

Level 4
75 Castlereagh Street
Sydney NSW 2000
Telephone: 02 9220 4500
Facsimile: 02 9220 4580

Solicitors

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

Bankers

National Australia Bank
330 Collins Street
Melbourne VIC 3000

Auditors

Ernst & Young
200 George Street
Sydney NSW 2000

For the year ended 30 June 2019

DIRECTORS

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



Marisa Broome

CFP®

Chair (from 21 November 2018)

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 22 years' running her own firm and practising as a financial planner. Marisa is currently the Chair of the Professional Designations Committee, Chair of the Governance and Remuneration Committee of the Board and a member of the Code Monitoring Australia Steering Committee. Marisa has been an active member of the FPA since its inception, being involved on national committees on Policy and Regulation, Audit, Education, Annual Conferences and the Sydney Chapter.



Neil Kendall

CFP®, BBus, Dip FP, FFPA, MAICD

Chair (from 19 November 2014)

Appointed 26 November 2010

Retired 21 November 2018

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 has appeared in the Barron's Top 50 Financial Advisers list since its inception.

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 Life Member and Fellow of the FPA. Neil chaired the Remuneration & Succession Planning Committee of the Board and was a Trustee of the Future2 Foundation.



Jane Bowd

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

Additional Director

Appointed 1 March 2018

Jane Bowd is the Group Company Secretary & Corporate Counsel at Coca-Cola Amatil Ltd. Jane holds a Graduate Diploma of Applied Corporate Governance, Master of Laws, Graduate Diploma of Legal Practice, Bachelor of Laws, Bachelor of Arts, and is a graduate of the Royal Military College Duntroon. Jane brings deep knowledge and expertise in legal and governance matters from her prior financial services roles and private practice, and membership of the Governance Institute Australia's Legislative Review Committee. Jane is currently a member of the Audit and Risk Management Committee, and of the Governance and Remuneration Committee, of the Board.



Alison Henderson

CFP®, B.Com, M.Com, Dip FMB, MAICD

Appointed 22 November 2016

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

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



Delma Newton

CFP®, BEc, BBus, Dip FP, GAICD

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.

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 was the Chair of the FPA Professionals Congress from 2015 until 2017. Delma is now the Chair of the Regional Chapter Committee.



Mark O'Toole

CFP®, BA, M.Commerce
(Financial Planning), Dip FP

Appointed 18 November 2015

Retired 2 April 2019

Mark has over twenty-eight years' experience in financial services and has been providing financial advice since 1993, 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 (Financial) 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, and is a member of the Australian Institute of Company Directors. Mark is also currently a trustee for the Sunrise Foundation.



Philip Pledge

BEC

Additional Director

Appointed 1 January 2009

Retired 31 December 2018

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 was the Chair of the Audit and Risk Management Committee of the Board.



Paul Ruiz

Additional Director

Appointed 1 January 2019

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

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



David Sharpe

CFP®, B.Com, DipFp & MAICD

Appointed 22 November 2016

David has been a financial planner and FPA member since 2003. He is a CERTIFIED FINANCIAL PLANNER® professional, has completed a Diploma in Financial Planning, and holds a Bachelor of Commerce (Distinction) from Curtin University.

David runs his own self-licensed financial planning firm, Globe Financial Planning, based in West Perth. In 2016 he was shortlisted for the FPA CFP® Professional of the Year Award.

Prior to being elected onto the board David spent four years on the WA FPA Chapter, including two years as Chair. David can often be found in various media roles (TV, radio and print) advocating strongly for the Value of Advice. David chairs the Professional Standards and Conduct Committee and is also a member of the Governance and Remuneration Committee.



Michelle Tate-Loverly

CFP®, BA (Hons), Dip FP

Appointed 22 November 2017

Michelle Tate-Loverly is the Managing Director and Principal Adviser of Unified Financial Services (Carlton, Victoria) and has been self-licensed since 1994. Michelle has been a CERTIFIED FINANCIAL PLANNER® professional since 1995 and celebrates her 30 years as a financial adviser next year. Michelle has been nationally recognised in 2012 as the FPA winner of the CFP® Professional Award and Money Management Financial Planner of the Year and 2013 Mentor of the Year. Michelle has been a finalist for Woman of the Year – Money Management and Super Review 2014 and 2013 and was awarded Goals Based Adviser of the Year through IFA Excellence Awards, 2017.

In 2018 and 2017, Michelle was voted by her peers and recognised in Financial Standard Top 50 Influential Advisers in Australia. Michelle has been part of the FPA Transition to Fee for Service Taskforce and on the CFP Curriculum Taskforce for Ethics, Professionalism and Compliance and has judged the FPA Awards 2012 – 2018.

Michelle is the Chair of the FPA Professionals Congress.



Pene Lovett

CPA, CA, GAICD

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 amount required to be contributed by members in the event that the company is wound up is disclosed in note 20. The Association is incorporated and domiciled in Australia.

Objectives, strategy, nature of operations and principal activities

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

represent interests of the public:

Our members represent best-practice financial planning that puts the interest of the client first. We actively champion the need for a clear separation between product sales and advice, because Australians deserve trusted and transparent financial advice;

represent interests of members:

Our strong ties with government and regulators in financial planning positions us as the collective voice of our members. We maintain strong relationships with all key stakeholders and fight for fair outcomes that advance our profession;

foster high professional standards:

We create a professional culture of accountability and self-regulation, setting and enforcing professional and ethical standards that result in the highest quality financial advice;

facilitate world class education:

We are the only Australian body licensed to administer and deliver the CERTIFIED FINANCIAL PLANNER® designation, the international gold standard and highest certification available to financial planners worldwide;

provide professional development:

We support our members with a high calibre program of continued professional development designed to enhance their knowledge and skills, and support them in financial planning excellence.

Review of progress against objectives and results of operations

The FPA recorded a before-tax surplus of \$270,000 for the year ending 30 June 2019 (2018: surplus \$342,000) and an after-tax surplus of \$281,000 (2018: surplus \$327,000), increasing accumulated members' funds to \$11,100,000 at 30 June 2019 (2018: \$10,819,000).

The key achievements that have occurred in the financial year to 30 June 2019 are as follows:

- development of FPA Learn to assist members with ongoing CPD and education requirements
- accreditation of the CERTIFIED FINANCIAL PLANNER® program as two credits towards the FASEA education requirement
- development of *Match My Planner* tool for members and consumers
- investment in the provision of Code Monitoring Australia
- investment in student engagement at the high school and university level by providing resources and collateral to encourage financial planning as a career
- provision of another successful roadshow and congress for our members
- partnered with Financial Executive Women and Banquer to increase female engagement in financial planning and financial literacy in primary schools
- the continuing commitment made to the consumer advertising campaign funded from members' advertising levy contributions
- an ongoing investment in advocacy and compliance on behalf of our members.

Significant changes

There have been no significant changes in the state of affairs of the Association during the financial year ended 30 June 2019.

Subsequent events

One significant event occurred post 30 June 2019, in that the Association, on request of government withdrew its application to be a code monitoring body.

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 2018-19

	Eligible to attend	Number attended
Jane Bowd	7	6
Marisa Broome	7	7
Alison Henderson	7	7
Neil Kendall (to 21 November 2018)	3	3
Delma Newton	7	7
Mark O'Toole (to 2 April 2019)	5	3
Philip Pledge (to 31 December 2018)	4	3
Paul Ruiz (from 1 January 2019)	3	3
David Sharpe	7	7
Michelle Tate-Loverly	7	7

BOARD COMMITTEE MEMBERSHIP

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

Audit and Risk Management Committee

Jane Bowd

Joined: Paul Ruiz (Chair) (February 2019),
Delma Newton CFP® (December 2018)

Resigned: Philip Pledge (Chair),
Marisa Broome CFP® (December 2018),
Mark O'Toole CFP® (April 2019)

The Audit and Risk Management Committee met six times during the year.

Governance and Remuneration Committee

David Sharpe CFP®

Joined: Marisa Broome CFP® (Chair)
(February 2019), Jane Bowd (April 2019)

Resigned: Neil Kendall CFP® FFPA (Chair)
(November 2018), Mark O'Toole (April 2019)

The Governance and Remuneration Committee met five times during the year.

Policy and Regulations Committee

Nick Amore CFP®, Jocelyn Chong AFP®,
Nerida Cole CFP®, Adrian Hanrahan CFP®,
Tim Mackay CFP®, Craig Meldrum AFP®,
Mark O'Flynn AFP®, Susan Peterson CFP®,
Peter Richards CFP®

Joined: Alison Henderson CFP® (Chair),
Paul Garner CFP® (October 2018),
Hanny Youcef AFP® (March 2019)

Resigned: Marisa Broome CFP® (Chair)
(October 2018), Andrew Donachie CFP®,
Lou Delfos AFP® (July 2018), Mark
Everingham CFP®, Frank Camilleri CFP®
(February 2019), Kerry Thomas CFP®
(March 2019), Laval Ho CFP® (June 2019)

The Policy and Regulations Committee met six times during the year.

Professional Designations Committee

Dario Bartolomeo CFP®, Elson Goh CFP®
LRS®, Roxanne Gorman CFP®, Benjamin
Jessop CFP®, Martin McIntosh CFP®, Paul
Moran CFP®, Thabojan Rasiah CFP®, Peter
Roan CFP® LRS® AEPS® FFPA

Joined: Marisa Broome CFP® (Chair)
(February 2019)

Resigned: Alison Henderson CFP® (Chair)
(February 2019)

The Professional Designations Committee met four times during the year.

Professional Standards and Conduct Committee

David Sharpe CFP® (Chair), James Cotis
CFP®, Claire Mackay CFP® Dacian Moses
CFP®, Stephanie Shrivenev

Joined: Peter Bryant, Mark Malone AFP®,
Michael Miller CFP®, Lisa Papachristoforos
AFP®, Evan Poole CFP®, Cheyenne Walker
(March 2019), Dean Pinto (April 2019)

Resigned: Guyon Cates (August 2018),
Hanny Youcef AFP®, Suzanne Craig
(March 2019)

The Professional Standards and Conduct Committee met six times during the year.

Regional Chapter Committee

Delma Newton CFP® (Chair), Mark Alexander
CFP®, Susie Erratt CFP®, Andrew Harris
CFP®, Fran Hughes CFP®, Gary Jones AFP®
FFPA, Todd Kennedy CFP®

Joined: Naomi Alletson AFP®
(November 2018)

Resigned: Steven O'Donoghue CFP®
(November 2018)

The Regional Chapter Committee met three times during the year.

The following Committee commenced during the year:

Code Monitoring Australia Steering Committee (12 November 2018)

Mark Rantall CFP® (Chair), Dale Boucher, Marisa Broome CFP®, Delma Newton CFP®, David Sharpe CFP®, (November 2018)

Joined: Paul Ruiz (January 2019)

Resigned: Dale Boucher (December 2018)

The Code Monitoring Australia Steering Committee met fifteen times during the year.

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.

Auditor independence

The directors have received the independence declaration from the auditors of the Financial Planning Association of Australia Limited set out on page 11 of the financial statements.

Corporate governance

The FPA is a non-disclosing entity and is therefore not required to meet all the reporting and corporate governance requirements of a disclosing 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.

Rounding

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000) under the option available to the Association under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Signed in accordance with a resolution of the directors.



Marisa Broome
Director



Paul Ruiz
Director

15 October 2019
Sydney, New South Wales



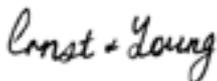
Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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 2019, 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.


Ernst & Young


Rita Da Silva
Partner
15 October 2019

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Revenue	2	13,387	13,823
Employee benefits expenses	3(c)	(5,842)	(6,099)
Depreciation and amortisation expenses	3(a)	(356)	(303)
Conference, event, program and education expenses		(3,397)	(3,491)
Lease expenses	3(b)	(418)	(409)
Advertising and marketing expenses		(864)	(933)
Administration expenses		(1,543)	(1,501)
Other expenses		(685)	(746)
Total expenses from operations		(13,105)	(13,482)
Surplus from operations		282	341
Strategic advertising - net	3(d)	(12)	1
Operating profit before income tax		270	342
Income tax benefit/(expense)	5	11	(15)
Operating profit after tax year		281	327
Other comprehensive income		-	-
Total comprehensive income		281	327

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	17(a)	5,645	6,856
Trade and other receivables	6	525	417
Investments in financial assets	7	13,149	12,234
Other assets	8	1,058	943
Total current assets		20,377	20,450
Non-current assets			
Plant and equipment	10	249	359
Intangible assets	11	704	661
Other assets	8	135	243
Total non-current assets		1,088	1,263
Total assets		21,465	21,713
Current liabilities			
Trade and other payables	12	2,931	2,749
Income tax payable		-	15
Provisions	13	400	398
Deferred income	14	6,365	6,965
Lease incentive	14	145	145
Total current liabilities		9,841	10,272
Non-current liabilities			
Provisions	13	287	246
Lease incentive	14	237	376
Total non-current liabilities		524	622
Total liabilities		10,365	10,894
Net assets		11,100	10,819
Members' funds			
Retained earnings	9	11,100	10,819
Total members' funds		11,100	10,819

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 2019

	Note	Retained Earnings \$'000	Total Equity \$'000
At 1 July 2017	9	10,492	10,492
Total comprehensive income for the year		327	327
At 30 June 2018	9	10,819	10,819
Total comprehensive income for the year		281	281
At 30 June 2019	9	11,100	11,100

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 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts from members and non-members		13,628	14,047
Payments to suppliers and employees		(14,261)	(13,797)
Interest and Distributions received		219	352
Income tax (paid)/refunded		39	(91)
Net cash flows (used in)/from operating activities	17(b)	(375)	511
Cash flows from investing activities			
Term deposit maturity - net		100	1,550
Investment purchases - net		(647)	(2,238)
Purchase of plant and equipment		(2)	(229)
Purchase of intangible assets		(287)	(281)
Net cash flows (used in) investing activities		(836)	(1,198)
Net decrease in cash and cash equivalents		(1,211)	(687)
Cash and cash equivalents at beginning of period		6,856	7,543
Cash and cash equivalents at the end of period	17(a)	5,645	6,856

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

For the year ended 30 June 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Planning Association of Australia Limited (the "Association") is a non-profit organisation limited by guarantee. The financial report of the Association for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 15 October 2019.

(a) Basis of preparation

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

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

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated under the option available to the Association under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Association is an entity to which this legislative instrument applies.

(b) New and revised Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

The Association applied all new and revised Accounting Standards and Interpretations that became effective for the financial year commencing 1 July 2018. The nature and effect of the changes as a result of adoption of new accounting standards are described below.

AASB 9 Financial Instruments

The Association has adopted AASB 9 Financial Instruments which is effective for periods beginning on or after 1 January 2018. The impact of applying the new standard on the Association's financial statements required no transitional adjustments on the adoption date of 1 July 2018. AASB 9 makes changes to the classification and measurement of financial instruments, introduces a new expected loss model when recognising expected credit losses (ECL) on financial assets, and also introduces general hedge accounting requirements.

The Association's investments are required to be measured (previously designated as) at Fair Value through Profit or Loss (FVTPL). Cash and cash equivalents, receivables and term deposits that were previously recognised as loans and receivables at amortised cost are now recognised at amortised cost. Financial liabilities continue to be recognised as other financial liabilities. The Association applies the simplified approach for ECL and records lifetime expected losses on all eligible financial assets. The revised methodology for calculating impairment did not have an impact on the financial statements.

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

(b) New and revised Accounting Standards and Interpretations (cont'd)

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

The Association has not early adopted any new standards, amendments to standards and interpretations that are not yet effective. None of these are expected to have a significant effect on the financial statements of the Association other than as set out below.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers is effective for periods beginning on or after 1 January 2019 for not-for-profit entities. The impact of applying the new standard on the Association's financial statements will likely not require any transitional adjustments on the adoption date of 1 July 2019. AASB 15 introduces a comprehensive framework and five-step approach to revenue recognition. The Association recognises the revenue at the time when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts.

AASB 15 is not expected to have a material impact on the Association's accounting for revenue streams (see Note 1(f)).

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers. AASB 1058 will be effective for periods beginning on or after 1 January 2019 and is not expected to have a material impact on the Association's revenue recognition on adoption.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and some lease-related interpretations. AASB 16 provides a new lessee accounting model which requires lessees to recognise the right-to-use assets, and liabilities to make lease payments, for leases with a term of more than 12 months unless the underlying asset is of low value. Expenses in respect of leases include amortisation of the right-of-use asset and interest expense in respect of the lease liability.

The Association will adopt AASB 16 from 1 July 2019. The Association will apply the modified retrospective approach on transition and will reflect any impacts of the change of the new standard on a cumulative basis as an adjustment to the opening balance of retained earnings at 1 July 2019, the adoption date. For practical expediency, lease contracts identified and ongoing as at 1 July 2019 and which are accounted for as leases under AASB 117 will continue to be accounted for as lease contacts under AASB 16. The Association will not restate comparatives in accordance with the transitional provisions of AASB 16.

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

(b) New and revised Accounting Standards and Interpretations (cont'd)

(ii) Accounting Standards and Interpretations issued but not yet effective (cont'd)

AASB 16 Leases (cont'd)

On adoption of AASB 16, the Association will recognise lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117, notably from its operating lease for the Castlereagh St, Sydney premises which is the most significant lease for the Association. These liabilities will be measured at the present value of the remaining lease payments, discounted using an estimate of the borrowing rate. The lease liability recognised as at 1 July 2019 will be approximately \$920,000 for all leases held by the Association.

The associated right-of-use assets for premises and other leases will be measured using the modified retrospective approach, being approximately \$837,000. After adjusting for amounts currently recorded on the statement of financial position in relation to lease incentives, this results in a net increase to retained earnings of approximately \$56,000.

Conceptual Framework for Financial Reporting and relevant amending standards

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

Amendments to References to the Conceptual Framework in IFRS Standards has also been issued, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying IFRS 3 and developing accounting policies for regulatory account balances using IAS 8, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the 2010 Conceptual Framework, and not the definitions in the revised Conceptual Framework.

The revised Conceptual Framework is effective for annual periods beginning on or after 1 January 2020 and will therefore apply to the Association from 1 July 2020. The impact arising from the adoption of the revised Conceptual Framework has yet to be quantified.

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

(c) Accounting judgements, estimates and assumptions

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

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

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 11.

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 13.

Tax

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

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

(d) Plant and equipment

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

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

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]

(e) Taxes

Income Taxes

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

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

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

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

Goods and Services Tax (GST)

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

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

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

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

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

(f) 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.

CFP® program revenue

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

Continuing education

Revenue is recognised when the events take place.

Marketing levies

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

Interest

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

Fair value changes

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

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

(g) Trade and other payables

Trade 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 long-term deposits. Refer to note 17(c).

(h) Cash and cash equivalents

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

Term deposits with original maturity of more than three months are classified as long-term deposits under investments.

(i) Trade and other receivables

Trade receivables, which generally have 30 to 90-day terms, are recognised initially at the transaction amount with represents fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

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

(j) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the 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.

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

(k) Employee leave benefits

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

Liabilities arising in respect to wages and salaries, annual leave and any other benefit expected to be settled within 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.

(l) Members' funds

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

(m) Leases

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

Association as a lessee

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

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

(n) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTPL or fair value through other comprehensive income (FVOCI). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them.

Purchases and sales of financial assets are recognised on the date on which the Association commits to purchase or sell the asset. Financial assets are derecognised when the right to receive cashflows from the asset has expired or when the risks and rewards of ownership have been substantially transferred.

With the exception of trade receivables for which the Association has applied the practical expedient, the Association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables for which the Association has applied the practical expedient are measured at the transaction price.

Subsequent measurement

Financial assets at fair value through profit and loss (FVTPL)

These comprise investments in managed funds that are mandatorily required to be measured at fair value. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The fair value of financial assets that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the statement of financial position date.

Managed funds are valued at redemption unit prices quoted by the underlying investment managers of the funds.

Financial assets at amortised cost

This category includes trade and other receivables and term deposits. The Association measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

(o) Intangible assets

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

(p) Comparative figures

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

2. REVENUE

		2019	2018
		\$'000	\$'000
Revenue from customers	(a)	12,798	13,377
Income from investments	(b)	589	446
Total revenue		13,387	13,823

		2019	2018
		\$'000	\$'000
(a) Revenue from customers			
Membership subscriptions		7,474	7,509
Practice fees		252	264
Partner fees		536	609
Conferences and seminars		2,470	1,954
CFP® program		1,269	2,319
Continuing education		480	526
Other revenue		317	196
Total revenue		12,798	13,377

(b) Income from investments

Change in fair value of investments		136	63
Interest - non-related persons/corporations		221	378
Distribution income net of management fee		232	5
Total Income from investments		589	446

3. EXPENSES

	2019 \$'000	2018 \$'000
(a) Depreciation and amortisation expenses		
Depreciation and amortisation of non-current assets		
Plant and equipment	112	38
Intangible assets	244	265
Total depreciation and amortisation	356	303
(b) Lease expenses		
Lease expenses	418	409
Total lease expenses	418	409
(c) Employee benefits expenses		
Wages and salaries including on-costs	5,195	5,425
Workers' compensation costs	11	15
Superannuation costs	373	391
Staff training and recruitment	263	268
Total employee benefits expenses	5,842	6,099
(d) Strategic Advertising – costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.		
Advertising levies received	1,031	1,040
Advertising expenditure	(1,043)	(1,039)
Net strategic advertising	(12)	1

4. AUDITORS' REMUNERATION

	2019 \$'000	2018 \$'000
Amount received, or due and receivable, by Ernst & Young for:		
An audit of the financial report of the Association	53	53
Other services – taxation services	15	33
Total auditor's remuneration	68	86

5. INCOME TAX

Income tax expense consists of:

	2019 \$'000	2018 \$'000
Current income tax	-	15
Adjustment for current tax of prior year	(11)	-
	(11)	15

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	270	342
At statutory income tax rate of 27.5% (2018: 27.5%)	74	94
Net income derived from members not assessable	(37)	(152)
Expenditure not allowable for income tax purposes	1	3
Temporary differences not recognised	(151)	70
Taxable loss not recognised	113	-
Over provision in prior years	(11)	-
Income tax (benefit)/expense attributable to operating surplus	(11)	15

Unrecognised deferred tax balances

At 30 June 2019, deferred tax assets have not been recognised on deductible timing differences and tax losses totalling \$530,000 (2018: \$540,000) as it has been assessed that it is not probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised, in accordance with the tax accounting policy set out in Note 1(e).

6. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$'000	\$'000
Trade debtors (i)	310	195
Allowance for expected credit loss	(7)	(4)
	303	191
Accrued interest income (ii)	222	226
Total trade and other receivables	525	417

(i) Trade debtors are non-interest bearing and generally are on 30-day terms.

(ii) Represents accrued interest on term deposits, which is payable on maturity. These do not contain impaired assets and are not past due.

7. INVESTMENTS

	2019	2018
	\$'000	\$'000
Term deposits held at amortised cost (i)	9,828	9,928
Financial assets at fair value through profit and loss (ii)	3,321	2,306
Total investments	13,149	12,234

(i) (i) Relates to term deposits held at amortised cost with original maturity between 4-12 months.

(ii) Comprises investments in a portfolio of managed funds, 2018 balance reduced by \$273,000 from previously reported amount to reflect cash now disclosed in cash balances (note 17(a)).

8. OTHER ASSETS

	2019 \$'000	2018 \$'000
Current		
Prepaid conference expenditure	622	600
Prepaid chapter expenditure	32	44
Prepaid capital expenditure	33	-
Other prepayments	243	191
Income tax refundable	20	-
Lease incentive asset – current	108	108
Total other current assets	1,058	943
Non-current		
Lease incentive asset – non-current	135	243
Total other non-current assets	135	243
Total other assets	1,193	1,186

9. RETAINED EARNINGS

	2019 \$'000	2018 \$'000
Balance at the beginning of the financial year	10,819	10,492
Total comprehensive income	281	327
Balance at the end of the financial year	11,100	10,819

10. PLANT AND EQUIPMENT

	Computer equipment \$'000	Furniture and fittings \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Total \$'000
Cost					
Balance at 1 July 2017	70	51	47	112	280
Additions	9	-	4	350	363
Disposals	-	-	-	(109)	(109)
Balance at 30 June 2018	79	51	51	353	534
Additions	2	-	-	-	2
Disposals	-	-	-	(5)	(5)
Balance at 30 June 2019	81	51	51	348	531
Accumulated depreciation and impairment					
Balance at 1 July 2017	(52)	(19)	(43)	(132)	(246)
Depreciation	(10)	(7)	(2)	(19)	(38)
Disposals	-	-	-	109	109
Balance at 30 June 2018	(62)	(26)	(45)	(42)	(175)
Depreciation	(8)	(7)	(2)	(95)	(112)
Disposals	-	-	-	5	5
Balance at 30 June 2019	(70)	(33)	(47)	(132)	(282)
Net book value					
As at 30 June 2018	17	25	6	311	359
As at 30 June 2019	11	18	4	216	249

11. INTANGIBLE ASSETS

	Website development \$'000	Computer software \$'000	Total \$'000
Cost			
Balance at 1 July 2017	538	557	1,095
Additions	247	34	281
Disposals	-	-	-
Balance at 30 June 2018	785	591	1,376
Additions	246	41	287
Disposals	-	-	-
Balance at 30 June 2019	1,031	632	1,663
Accumulated amortisation and impairment			
Balance at 1 July 2017	(204)	(246)	(450)
Amortisation	(150)	(115)	(265)
Disposals	-	-	-
Balance at 30 June 2018	(354)	(361)	(715)
Amortisation	(184)	(60)	(244)
Disposals	-	-	-
Balance at 30 June 2019	(538)	(421)	(959)
Net book value			
As at 30 June 2018	431	230	661
As at 30 June 2019	493	211	704

12. TRADE AND OTHER PAYABLES

	2019 \$'000	2018 \$'000
Trade creditors and accruals (i)	2,556	2,341
GST payable	375	408
Total trade and other payables	2,931	2,749

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

13. PROVISIONS

	Restoration of leased properties \$'000	Annual leave \$'000	Long service leave \$'000	Total \$'000
Balance at 1 July 2018	139	325	180	644
Arising during the year	-	363	77	440
Utilised	-	(387)	4	(383)
Unutilised amount reversed	-	-	(14)	(14)
Balance at 30 June 2019	139	301	247	687
Current 2019	-	301	99	400
Non-current 2019	139	-	148	287
	139	301	247	687
Current 2018	-	325	73	398
Non-current 2018	139	-	107	246
	139	325	180	644

14. OTHER LIABILITIES

	2019 \$'000	2018 \$'000
Current		
Deferred income:		
Conference income	777	625
Education fees	174	433
Membership subscriptions	4,700	5,213
Marketing levies	660	675
Chapter income	4	19
Sponsorship	50	-
Total deferred income	6,365	6,965
Lease incentive	145	145
Total other current liabilities	6,510	7,110
Non-current		
Lease incentive	237	376
Total other non-current liabilities	237	376
Total other liabilities	6,747	7,486

15. COMMITMENTS FOR EXPENDITURE

	2019 \$'000	2018 \$'000
Operating lease commitments - Association as lessee		
Future minimum rentals payable under non-cancellable operating leases at balance date but not recognised as liabilities are:		
No later than one year	422	388
Later than one year but not later than five years	547	939
Aggregated lease expenditure contracted for at balance date	969	1,327

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 (2018: nil).

17. CASH AND CASH EQUIVALENTS

	2019 \$'000	2018 \$'000
(a) Reconciliation to Statement of Cash Flows		
Cash and cash equivalents comprise the following at 30 June (2018 balance increased by \$273,000 for cash previously disclosed in investment balances at note 7):		
Cash at bank and on hand	5,645	6,856
	5,645	6,856
(b) Reconciliation of operating profit after income tax to net cash flows from operations		
Operating profit from ordinary activities after income tax	281	327
Non-cash items		
Depreciation and amortisation	356	303
Allowance for expected credit losses	3	3
Amortisation of deferred lease incentive	(31)	(15)
Change in fair value of financial assets	(136)	(63)
Distribution income reinvested	(232)	(5)
Change in operating assets and liabilities		
Increase in trade and other receivables	(111)	(175)
Increase in other assets	(95)	(224)
Increase in trade and other payables	182	523
Increase in current provisions	2	39
Decrease in current tax liabilities	(35)	(15)
Decrease in other current liabilities	(600)	(212)
(Decrease)/increase in non-current provisions	41	(5)
Increase in other non-current liabilities	-	30
Net cash flows (used in)/from operating activities	(375)	511

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

17. CASH AND CASH EQUIVALENTS [CONT'D]

(c) Assets pledged as security

Included in the balance of long-term deposits within investments is \$128,000 (2018: \$128,000), 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 long-term deposits within investments is \$200,000 (2018: \$200,000), being security required for the set-up 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 the year are as follows:

J. Bowd	M. O’Toole (retired on 2 April 2019)
M. Broome	P. Pledge (retired on 31 December 2018)
A. Henderson	P. Ruiz (appointed on 1 January 2019)
N. Kendall (retired on 21 November 2018)	D. Sharpe
D. Newton	M. Tate-Lovery

Key Management Personnel

The names of persons who were key management personnel of the Financial Planning Association of Australia Limited during the year are as follows:

D. De Gori	J. Matthew
C. Kossim	A. Palmer
E. Manton	L. Plummer
B. Marshan	P. Lovett

Other than those disclosed in Note 19 below, there were no other transactions with any related parties, directors or director-related entities during the year with the exception of out of pocket expense reimbursements in the normal course of business.

Controlled entity

The following wholly owned subsidiary was established during the period:

Name	Date of incorporation	Place of incorporation	Investment amount
Code Monitoring Australia Pty Ltd	24 August 2018	NSW Australia	\$100

As at 30 June 2019, the subsidiary remains dormant and hence consolidated financial statements have not been prepared.

19. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	Directors		Executives	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term	325	325	1,591	2,003
Post-employment	31	29	118	146
Total	356	354	1,709	2,149

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.

Total short-term and post-employment remuneration for the Chief Executive Officer of the Association (D. De Gori) is \$502,000 (2018: \$445,000).

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. The current number of voting members is 11,000 so the maximum contribution from members would be \$1,100,000.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Responsibility for the oversight of financial risks rests with the Audit and Risk Management Committee under the authority of the Board.

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

Risk Exposures and Responses

Interest rate risk

The Association's exposure to interest rate risks as relates to the cash and term deposit balances.

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

	2019	2018
	\$'000	\$'000
Financial assets		
Cash in bank	5,645	6,856
Term deposits	9,828	9,928
	15,473	16,784

At 30 June 2019, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	Post-tax Profit - Higher/(Lower)	
	2019	2018
	\$'000	\$'000
Judgements of reasonably possible movements		
+1% (100 basis points)	56	69
+0.5% (50 basis points)	28	34
-0.5% (50 basis points)	(28)	(34)
-1% (100 basis points)	(56)	(69)

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]

Price Risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from Interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Association's exposure to price risk is limited to its financial assets within investments which are carried at fair value through profit or loss amounting to \$3,321,000 (2018: \$2,306,000).

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

	Post-tax Profit – Higher/(Lower)	
	2019	2018
	\$'000	\$'000
<hr/>		
Judgements of reasonably possible movements		
+10% increase	332	231
-10% decrease	(332)	(231)
<hr/>		

Credit Risk

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

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

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

Liquidity Risk

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

	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	Total \$'000
2019				
Trade and other payables	-	2,931	-	2,931
Income tax payable	-	-	-	-
Total	-	2,931	-	2,931
2018				
Trade and other payables	-	2,749	-	2,749
Income tax payable	-	15	-	15
Total	-	2,764	-	2,764

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

The cash balance is \$5,645,000 and is available to pay the short-term financial liabilities in relation to trade and other payables due within 3 months

Fair Value of Financial Assets and Liabilities

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

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

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

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

Fair Value of Financial Assets and Liabilities (cont'd)

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets				
Financial assets at fair value through profit and loss				
- Unlisted registered managed funds	-	3,321	-	3,321

As at 30 June 2018

Financial assets

Financial assets at fair value through profit and loss	-	2,306	-	2,306
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The fair value of financial assets at fair value through profit and loss is based on the redemption unit price quoted by the underlying responsible entity at the close of trading on the reporting date.

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

22. EVENTS AFTER THE REPORTING DATE

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

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- a. The financial statements and notes of the Association are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*; and
- b. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Marisa Broome
Director



Paul Ruiz
Director

Date: 15 October 2019
Sydney, New South Wales



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

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

Opinion

We have audited the financial report of Financial Planning Association of Australia Limited (the Association), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

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

Rita Da Silva
Partner
Sydney
15 October 2019

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FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

ABN 62 054 174 453 | GPO Box 4285 Sydney NSW 2001
1300 337 301 | www.fpa.com.au

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