



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

# ANNUAL REPORT

2020

## TABLE OF CONTENTS

<b>CHAIR'S REPORT</b> .....	<b>5</b>	STRENGTH THROUGH COLLABORATION .....	44
<b>CEO'S REPORT</b> .....	<b>8</b>	POLICY PLATFORM .....	45
<b>YEAR AT A GLANCE</b> .....	<b>10</b>	SINGLE DISCIPLINARY BODY .....	49
<b>HALL OF FAME</b> .....	<b>12</b>	SUBMISSIONS.....	50
<b>ABOUT FPA</b> .....	<b>16</b>	<b>CONSUMERS</b> .....	<b>57</b>
<b>MEMBERS</b> .....	<b>21</b>	PRO BONO WORK .....	58
CFP® CERTIFICATION PROGRAM.....	22	CONNECTING WITH YOUNG AUSTRALIANS .....	59
CONTINUING PROFESSIONAL DEVELOPMENT .....	26	RAISING AWARENESS OF FINANCIAL PLANNING .....	60
CHAPTER NETWORK.....	28	CONNECTING CONSUMERS WITH FPA MEMBERS .....	61
MEMBER SERVICES AND RESOURCES .....	29	'ASK A CFP® PROFESSIONAL' ADVERTISING.....	62
MEMBER EVENTS .....	32	FINANCIAL PLANNING WEEK.....	63
FPA PROFESSIONAL PRACTICE PROGRAM.....	34	MEDIA RELATIONS AND SOCIAL MEDIA.....	64
FPA PROFESSIONAL PARTNER PROGRAM.....	35	FUTURE2 FOUNDATION.....	65
ACADEMIC ENGAGEMENT .....	36	<b>FINANCIAL STATEMENTS</b> .....	<b>67</b>
PROFESSIONAL STANDARDS.....	38		
<b>ADVOCACY</b> .....	<b>42</b>		
FASEA.....	43		
ROYAL COMMISSION .....	44		



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

A portrait of Marisa Broome CFP®, the FPA Chair. She is a woman with dark hair, smiling, wearing a black zip-up jacket and a necklace. The background is a blurred outdoor setting with trees and foliage.

“ *As financial planners, we are in the perfect position to be of service to those in need.* ”

**MARISA BROOME CFP®**  
FPA CHAIR

# A commitment to affordable, accessible financial advice

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*It is difficult to reflect on the past year without acknowledging the disruptive forces of the pandemic, which has altered so much of our lives.*

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We are currently experiencing Australia's first recession in decades. This period is challenging for many, but it has also highlighted the value of financial planning advice in peoples' lives and the expertise of FPA members.

For FPA members, this has also been an intense time as our profession undergoes rapid reform to education and professional standards. These changes are necessary and important, but they are also challenging and costly for financial planners.

***What must remain our guiding light is our commitment to ensuring financial planning is affordable and accessible to Australians.***

To achieve this, there must be a balanced approach to the standards, compliance and regulation of our profession to ensure we can operate in a sustainable way that serves our clients.

The current climate has also showcased the important work that the FPA has been engaged in on behalf of our members.

I would personally like to thank FPA CEO Dante De Gori CFP® and his team for their tireless pursuit of progress and professionalism in financial planning.

Much of this good work goes unrecognised. As a CFP® professional member, I have seen firsthand how the efforts of Dante and his team are reshaping the profession for future growth.

## **WELLBEING IS PARAMOUNT**

The wellbeing of financial planners continues to be an important focus for the FPA. As financial planners we are great at helping our clients but not always ourselves. This is common among professionals who dedicate their lives to working with others. Asking for help can be difficult, particularly if you are used to operating your own business. But the pressures on financial planners are real and there is help available.

Finding the time to meet the new professional standards while running a business can be taxing. I took the FASEA exam myself in February and can empathise with members who are feeling stressed with the weight of this added pressure.

It has been pleasing to see that the FPA Wellbeing support program is being used by members. The FPA will continue to provide help where it can to those who need it.

### SERVING OUR MEMBERS

This year has been about repositioning the FPA to be agile to respond to the pressures of the broader industry and focused on being able to be of maximum service to our members.

It is clear that members are still plagued by uncertainty, particularly around the FASEA requirements. The FPA has done a tremendous amount of work to provide greater clarity with its Return to Learn online education hub. This includes what study you have to do to meet the education standards, what courses are available, sourcing discounts from many providers as well as support to sit the FASEA exam.

We are pleased that our advocacy work resulted in an extension to both the exam and the education requirements finally being granted.

We have been disappointed at the minimal recognition by FASEA of the CFP® Certification Program – a program that has been at post graduate level for many years and is recognised by many universities as such in accreditation towards their Masters programs.

The FPA has partnered with leading education providers throughout the year to integrate the CFP® designation into Masters of Financial Planning courses, allowing financial planners to now combine a Masters with the CFP® Certification Program.

### ***Towards the end of the 2019/20 financial year, the FPA announced our new five year strategic direction***

The FPA's MAC (Members, Advocacy, Consumers) strategy will shape the direction of the association to be more agile to opportunities in the current environment.

Supporting members to grow and thrive, increasing the number of Australians accessing financial advice, and having a leading voice in public policy will be key priorities over the coming years.

Advocacy is the key to MAC and saw the release of the FPA's policy platform, Affordable Advice, Sustainable Profession launched on 28 May 2020.

At the heart of this important piece of advocacy work is the desire to reduce red tape and the duplication of regulation in the financial advice profession. Our members told us that the cost of regulation was among their greatest concerns and the FPA policy platform is designed to reduce the compliance burden on practices.

Reducing the regulatory impost on financial planners will have a significant and positive impact on their ability to service more Australians. There is much work to be done to make advice more accessible and the policy platform establishes a critical foundation from which to begin achieving our ambitions for the profession.

The COVID-19 pandemic and economic crisis remains our most pressing challenge as Australians. As financial planners, we are in the perfect position to be of service to those in need. This is our time to shine.

I would like to thank all our members for their continued support for the FPA and service to their communities. Together we will move through these difficult days and emerge stronger, as we continue to make a positive meaningful difference in the lives of our clients.



**MARISA BROOME CFP®**

FPA CHAIR



*“The past 12 months have been a testament to triumph over adversity.”*

**DANTE DE GORI CFP®**  
FPA CHIEF EXECUTIVE OFFICER

# Supporting members to thrive and leading public policy

*The past 12 months have been defined by the courage and commitment of financial planning professionals to overcome significant challenges. FPA members remain resilient in the face of ongoing regulatory pressure, new education requirements, natural disaster, and the COVID-19 pandemic.*

At the FPA we have continued to advocate for financial planning during these difficult times – unveiling a new strategic direction to support the growth of the profession, restructuring to better service members and embarking on a new five-year roadmap to secure the future of financial planning in Australia.

We continue to stand by your side and have been working tirelessly over the year to support our members across Australia as they navigate major disruptions to their businesses.

## ROYAL COMMISSION RECOMMENDATIONS

The six months to 31 December 2019 saw the FPA advocating on behalf of members during the consultation process of the Royal Commission recommendations to ensure a fair and reasonable approach. Our greatest concern is that fresh layers of regulation continue to be heaped on financial planners, costing time and money, and ultimately reducing the ability of FPA members to help more Australians.

We remain cautious of the impact that regulatory changes will have on our members and their clients. This has been a driving force in our advocacy work to date. Our new five-year policy platform is a critical step towards reducing red tape and delivering a more efficient operating environment for financial planners.

## FASEA EXTENSION AND RELIEF FOR MEMBERS

The timeline to complete the new FASEA education requirements was too restrictive. This pressure was having a negative impact on our members, often to the detriment of their health and ability to help their clients. The FPA promptly partnered with the Association of Financial Advisers (AFA) to lobby both sides of government to secure an extension for the education requirements.

These efforts resulted in the passing of the FASEA legislation by the Senate on 17 June 2020. I would like to personally thank our members for their patience and the broader profession for their support on this critical matter.

### A NEW DIRECTION FOR THE FPA

After consulting with members and key stakeholders, we were proud on 28 May 2020, to launch our five-year MAC strategy, with a focus on member engagement, public policy advocacy and consumer education.

At the heart of this three-pronged approach is the desire to build a thriving and sustainable financial planning profession so that more Australians have access to financial advice.

The FPA is not immune to the disruptive forces reshaping the financial services industry. Just as our members must ensure their business model remains fit for purpose, so too must the FPA.

As our five-year strategic plan was finalised, we made changes to our corporate structure to align the FPA to these new strategic priorities and ensure it continues to best serve member needs. This has required me to restructure the FPA team to ensure the organisation can deliver our new direction.

I am personally grateful for everyone's contribution to the FPA but as our strategy evolves and the environment changes, we need to transform to ensure we remain relevant and effective.

### CODE MONITORING

The biggest disappointment of the year was the Government's decision to not proceed with code monitoring bodies and introduce a single disciplinary body. The FPA had led the profession in establishing Code Monitoring Australia (CMA) and had received approval under the guidelines. This would have given us the opportunity to be a self-regulating profession and it would have enabled CMA to provide practical and appropriate guidance around the FASEA Code of Ethics. The Federal Government asked the FPA to withdraw its application so a single disciplinary body, as recommended by the Royal Commission, could proceed. Yet at time of writing, this is still a further 18 months away, leaving our profession without clear guidance.

### BUSHFIRES AND COVID-19 SUPPORT

In January 2020, we launched the Financial Planning Bushfire Pro Bono Program, a joint initiative of the FPA and AFA to offer support and financial advice to bushfire affected Australians. The program received tremendous support from our members. We are incredibly grateful for all those who helped and continue to help those impacted by the devastating bushfires.

Since late February, our lives as Australians have been significantly disrupted. The COVID-19 pandemic is a major life event for all Australians. Whether you are directly impacted by the virus or know someone who is, the financial impact of the evolving situation has touched all of us.

In this unprecedented environment Australia's financial planning community has stepped up to be of invaluable service those who require the guidance of a trusted financial planning professional.

### UNITED FOR A BRIGHTER FUTURE

The past 12 months have been a testament to triumph over adversity. The challenges we share as financial services professionals and as Australians have brought us closer together. These difficulties have strengthened our resolve. The FPA is more committed than ever to delivering the support financial planners need to build successful businesses so they can support the ever-changing needs of their clients in these uncertain times.

On behalf of the FPA, I wish to thank all of our members for their commitment and service. I extend my sincere respect to the men and women who provide stewardship, in challenging circumstances, to Australians in need of financial advice. Your guidance and support have never been more critical.



**DANTE DE GORI CFP®**

FPA CHIEF EXECUTIVE OFFICER



## LAUNCHED: FPA'S MAC STRATEGY

MEMBERS ADVOCACY CONSUMERS

GUIDING OUR WORK FROM 2020 - 2025

### MEMBERS

**13,189** FPA MEMBERS

FPA MEMBERS BY GENDER



NEW MEMBERS **1,090**



AVERAGE MEMBER AGE **45 yrs**

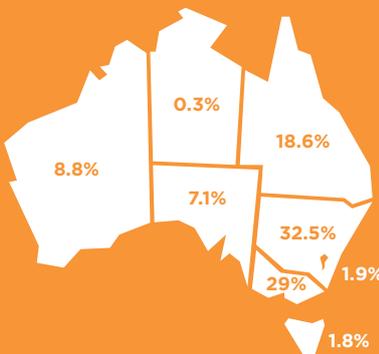
AVERAGE YEARS' M'SHIP **11 yrs**



**5,550** CFP® PROFESSIONALS



**188,104** WORLDWIDE



**30** FPA CHAPTERS  
**44** CHAPTER EVENTS

**1,130+** ATTENDED

FPA PROFESSIONALS CONGRESS

**1,400+** ATTENDED

### NEW AND IMPROVED MEMBER SERVICES

FPA LEARN INCLUDING RETURN TO LEARN & MY CPD

46 FREE CPD WEBINARS | PROFESSIONAL YEAR TOOL

MASTERS & CFP® DESIGNATION INTEGRATION | NEW CFP® EXPERIENCE PATHWAY ADDED

POST GRADUATE COURSE DISCOUNTS

FASEA CREDIT RECOGNITION FOR CFP® CERTIFICATION

FPA COMMUNITY | FPA WELLBEING | DIGITAL MEMBER BADGE & CERTIFICATE

WOMEN IN WEALTH | GUIDES, MAGAZINE & LATEST NEWS | MEMBER REWARDS



CONDUCT REVIEW COMMISSION

**21**

FORMAL COMPLAINTS INVESTIGATED

**3**

DISCIPLINARY HEARINGS

**1**

CASE RESULTING IN IMPOSED SANCTIONS

**6**

MEMBERS AUTOMATICALLY TERMINATED

OF **33** ASIC BANS,

ONLY **6** WERE FPA MEMBERS

**499**

MEMBERS AUDITED

## ADVOCACY



### FPA'S 5 YEAR POLICY PLATFORM

AFFORDABLE ADVICE, SUSTAINABLE PROFESSION

#### STRONG, SUSTAINED ADVOCACY



**38**

SUBMISSIONS TO  
GOVERNMENT &  
REGULATORS



FASEA EXTENSION  
BILL



LIFE INSURANCE  
FRAMEWORK



ROYAL  
COMMISSION



UNITED EFFORTS  
WITH OTHER  
ASSOCIATIONS

**295+**



GOVERNMENT &  
STAKEHOLDER MEETINGS

## CONSUMERS

#### PRO BONO WORK



**180** CASES

**187** MEMBERS  
REGISTERED

#### CONNECTING CONSUMERS WITH MEMBERS



**2,157** CLIENT LEADS VIA  
MATCH MY PLANNER

**5,300** SEARCHED PER MONTH  
ON FIND A PLANNER

#### PROMOTING THE VALUE OF FINANCIAL PLANNING

**288,000+**

VISITS TO  
MONEY & LIFE

**17,080**

NEWSLETTER  
SUBSCRIBERS

#### RAISING AWARENESS OF FINANCIAL PLANNING CAREERS

OUTREACH TO

**>1,100**

CAREERS  
ADVISERS

PARTNERSHIPS WITH

**12**

UNI STUDENT  
ASSOCIATIONS



#### GIVING BACK

FUTURE2  
ACHIEVED

**\$1.1m**

IN GRANT GIVING

*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

### 2020

Pene Lovett  
Marie Suthern CFP®  
Lisa Weissel CFP®

### 2019

Frank Camilleri CFP®  
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 Pepper  
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**



<b>Andrew Dunbar CFP®</b>	<b>2019</b>
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-Lovery CFP®	2012

**FPA FINANCIAL PLANNER AFP® OF THE YEAR**



<b>Crystal Bobir AFP®</b>	<b>2019</b>
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**



<b>Capital Partners Private Wealth Advisers</b>	<b>2019</b>
Wotherspoon Wealth	2018
Capital Partners Private Wealth Advisers	2017
ipac Western Australia	2016

**FPA PARAPLANNER OF THE YEAR**



<b>Lachlan Haigh</b>	<b>2019</b>
Kearsten James CFP®	2018
Adriana Brink AFP®	2017
Cynthia Sercombe CFP®	2016

## FPA COMMUNITY SERVICE AWARD Supported by Future2



<b>Zacary Leeson CFP®</b>	<b>2019</b>
<b>Louise Wegner-Parker AFP®</b>	<b>2019</b>
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



<b>Graeme Morris</b>	<b>2019</b>
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 ONE



<b>Allen Ozdil</b>	<b>2020</b>
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 TWO



<b>Nicky Dwyer CFP®</b>	<b>2019</b>
John Dacker AFP®	2018
Michael Forer AFP®	2017
Cameron Obliubek CFP®	2016
Sunitha Chamala CFP®	2015
Amy Early CFP®	2014



## About FPA

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### ***FPA Vision***

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

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*As Australia's leading professional association for financial planners, the Financial Planning Association (FPA) represents the interests of the public and over 13,000 members.*

## FPA VISION

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

## FPA'S MAC STRATEGY

FPA's MAC strategy stands for Members, Advocacy and Consumers and guides our work from 2020 – 2025.



FPA to be the professional body of choice for the financial planning profession

**Lead** the profession on the financial planning/planner model of the future.

**Uphold** the CFP® designation as the number one choice for the profession.

**Expand** our education, CPD and specialisation offers for members.



FPA to be the voice of the profession

**Lead** the policy and reform debate for the financial planning profession.

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

**Be** the voice and professional body for the financial planning profession.



FPA to represent the public interest

**Increase** consumer awareness and use of financial planning.

**Elevate** the financial planning profession's role and contribution to the community.

**Represent** the consumer in the development in public policy.

OUR MEMBERS

FPA membership composition 2019/20

CATEGORY	2020	2019
CFP® professional members	5,550	5,724
Financial Planner AFP® members	3,725	4,124
Associate members	1,384	1,585
Allied Professional members	639	786
Leave of Absence members	176	170
Student members	1,225	1,195
Retired members	205	205
FPA Professional Practices	221	266
FPA Professional Partners	64	70
<b>TOTAL</b>	<b>13,189</b>	<b>14,125</b>

FPA member numbers decreased by 6.6 per cent this year. This drop is in line with expectations due to a number of factors impacting the financial planning profession, including industry reform resulting from the Financial Services Royal Commission, new FASEA standards and changes to business models and adviser numbers within by a number of large Australian Financial Services Licensees.

These factors have caused a number of financial planners to leave the profession. This has been reflected by an approximate 15 per cent reduction in financial advisers listed on ASIC’s Financial Adviser Register (FAR) from June 2019 to June 2020. We expect this disruption to continue to affect FPA member numbers and the wider financial adviser population over the coming year.

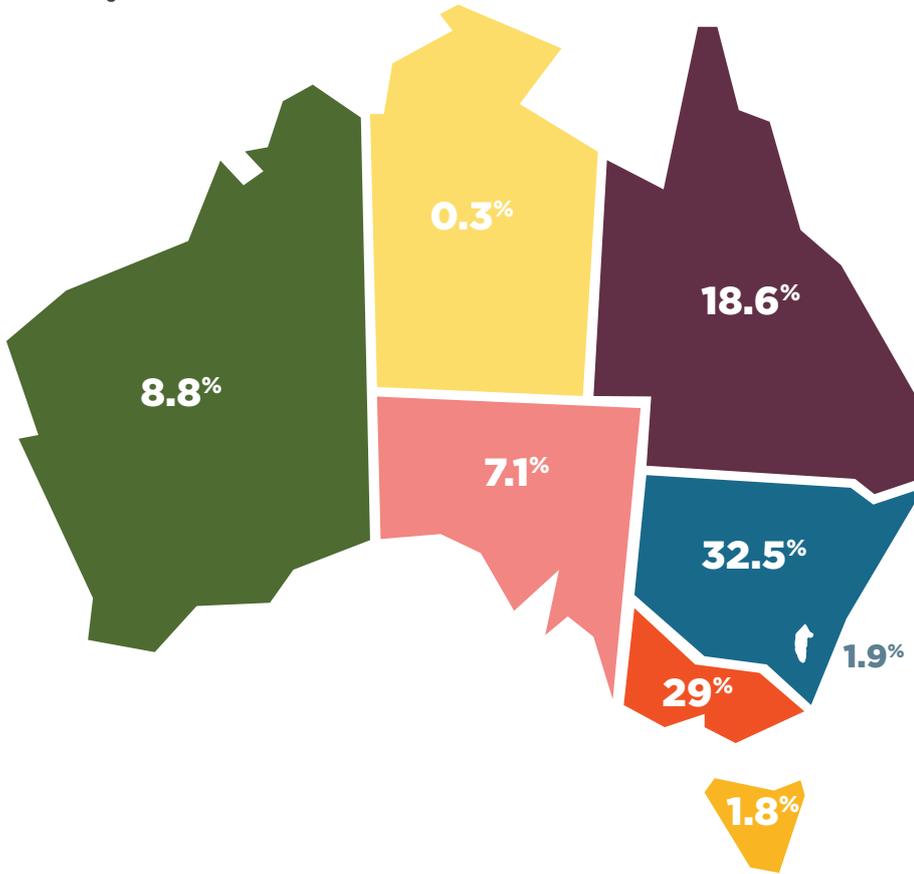
**2019/20**

**1,090**

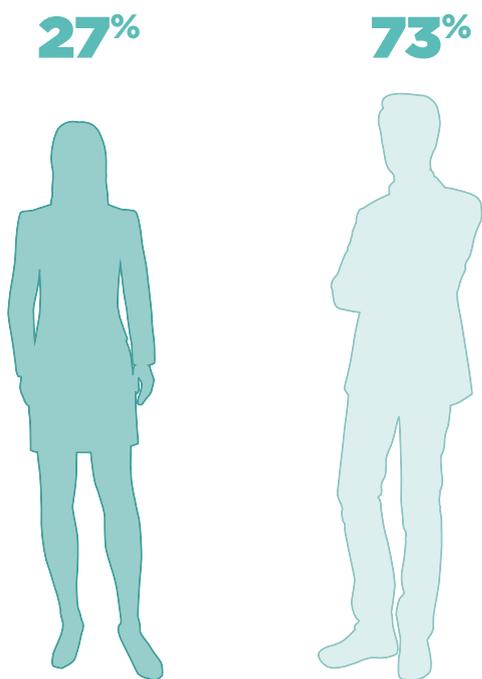
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**NEW MEMBERS  
THIS YEAR**

FPA members by state



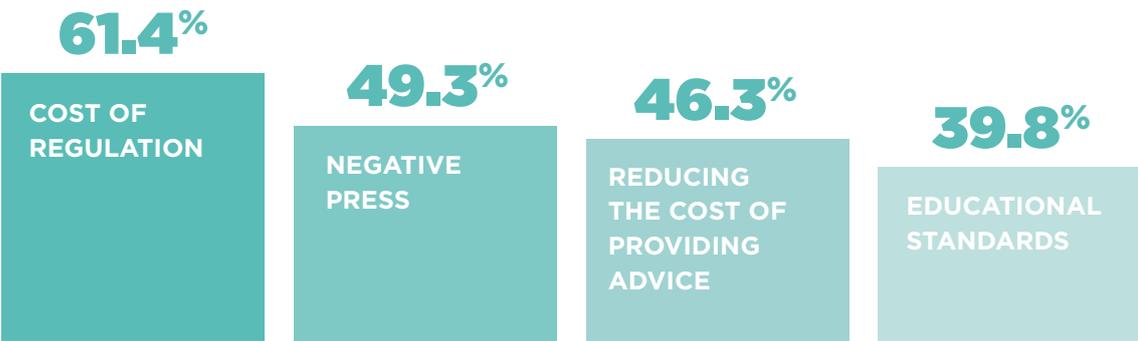
FPA members by gender



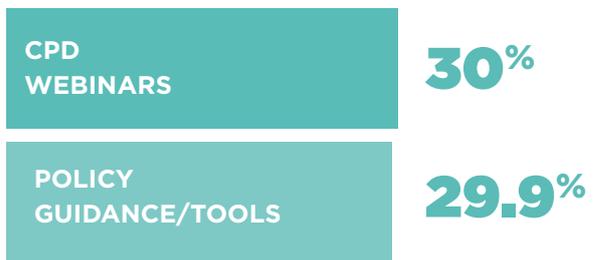
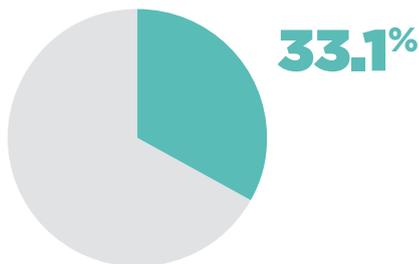
MEMBER FEEDBACK

During December 2019, FPA engaged global research consultancy CoreData to undertake the annual FPA membership survey. Nearly 800 FPA members participated and the key insights were:

FPA members faced another challenging year – **cost of regulation** (61.4 per cent) came out as the number one challenge (an increase from 54.6 per cent the previous year), followed by **negative press** (49.3 per cent), **reducing the cost of providing advice** (46.3 per cent) and **educational standards** (39.8 per cent).



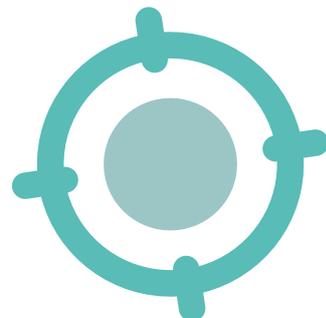
Among the extensive range of FPA member resources, the category valued most highly by members is **advocacy/government and regulator relations** (33.1 per cent).



Other key areas valued highly by members include **CPD webinars** (30 per cent) and **policy guidance/tools** (29.9 per cent).

FPA members called for three key areas of FPA focus:

- building a positive narrative around the value of financial advice**
- being more visible and courageous with advocacy**
- providing tools and services to reduce compliance costs and manage change.**



We continue to listen and progressively address these member needs and priorities with FPA services and support.



# Members

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***FPA strategic priority***  
*FPA to be the  
professional body of  
choice for the financial  
planning profession*

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# CFP® Certification Program



*The CERTIFIED FINANCIAL PLANNER® designation is the highest certification for financial planners globally.*

## **GOLD STANDARD IN FINANCIAL PLANNING**

The CFP® designation is respected as the global certification for those committed to competent and ethical financial planning advice. The FPA is the only association licensed to deliver and administer the CFP® designation in Australia.

CFP certification means more than just education. It entails 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.

The new Financial Adviser Standards and Ethics Authority (FASEA) standards for financial planners in Australia mean it's more important than ever to stand out. The CFP® designation is an important differentiator and the pinnacle in financial planning.

## **GLOBAL REACH**

Across the world, the CFP® professional community continues to thrive as demand for the certification is rising. There are 188,104 CFP® professionals worldwide across 26 territories and 5,550 CFP® professionals in Australia, with 168 new CFP® professionals admitted this year.

## **COMBINING A MASTERS WITH CFP CERTIFICATION**

In February 2020, FPA announced a groundbreaking partnership with Deakin Business School, which allows financial planners to combine a Master of Financial Planning degree with the CFP Certification Program.

This new opportunity offers choice and flexibility to financial planners, who can now graduate with both an academic qualification and the highest global professional designation in financial planning.

It also brings the program in line with other professions, like accounting, who embed designations into their academic programs. We are close to announcing more partnerships with other education providers to extend this initiative over the coming year.

## **NEW PATHWAYS**

Aspiring CFP® professionals are now able to choose from two pathways to comply with the experience requirement of the CFP designation. A new pathway was added this year to allow paraplanners, academics and those in compliance roles to achieve the CFP designation.

## **INCREASED LEARNING SUPPORT**

Advancements have been made this year to improve the way we deliver and support those undertaking the CFP Certification Program, including an update of the content and case studies, the textbook was launched as a digital-first offer with an electronic index and examination delivery moved online to increase the access and flexibility offered to those sitting exams.

**CREDIT RECOGNITION**

The CFP® Certification Program was the first professional designation education program to qualify for recognition of prior learning (RPL) towards the new FASEA degree standard.

The following program pathways have been recognised with credit:

- Two credits awarded to those who have completed the five unit CFP® Certification Program since Semester 2, 2003
- Two credits awarded to those who have completed the four unit CFP® Certification Program between 1999 and 2003

- One credit awarded to those who completed the Accredited Estate Planning Specialist (AEPS) training
- One credit awarded to those who completed the Life Risk Specialist (LRS) training.

The CFP® Certification Program also receives recognition for up to four credits with many universities for existing Masters of Financial Planning programs.

Further, RPL is now extended to those who have completed the FASEA ethics bridging course, to allow advanced standing for the first unit of the CFP Certification Program (CFP1) once the ‘know your code’ module is completed.

**CFP® professionals in Australia**

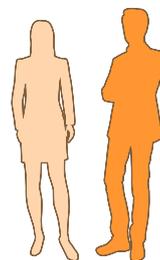


**Admitted this year** **168**

**Assignments marked** **296**

**Average exam pass rate** **77%**

**FPA Learn pageviews**



**Student demographic**

**69% MALE**

**31% FEMALE**

**YOUNGEST STUDENT**

**OLDEST STUDENT**



**24 YRS**

**66 YRS**

**Congratulations to the following members who were admitted as CERTIFIED FINANCIAL PLANNER® professionals during 2019/20:**

**ACT**

Shi Chen CFP®  
 Thomas Delaney CFP®  
 Aidan Dixon CFP®  
 Laura Imanse CFP®  
 Hongyu Li CFP®  
 Huimin ( Jane ) Li CFP®  
 Bradley Price CFP®  
 Khabilan Rukmanik CFP®

**NSW**

Adrian Alterator CFP®  
 Rovenia Andruskevica CFP®  
 Rachael Arnold CFP®  
 M A Don Romesh L Arsecularatne CFP®  
 Ian Bacon CFP®  
 Belinda Barclay CFP®  
 Matthew Bell CFP®  
 Matthew Bineth CFP®  
 Jade Brindle CFP®  
 Danielle Brophy CFP®  
 Daniel Bryant CFP®  
 Mathew Camkin CFP®  
 Sian Chua CFP®  
 Blake Conde CFP®  
 Liam Cooper CFP®  
 David Cuff CFP®  
 Khalil Daher CFP®  
 Viet Dao CFP®  
 Dulhari Dassanayake CFP®  
 Michael De Bomford CFP®  
 Peter Dickinson CFP®  
 Kaden Emery CFP®  
 Peter Finch CFP®  
 Christopher Gilmour CFP®  
 Wayne Higgins CFP®  
 Dean Horwitz CFP®  
 Paul Ivachoff CFP®  
 Ljupco Ivanov CFP®  
 Kieren James CFP®  
 Jackie Kewalram CFP®  
 Matthew King CFP®  
 Kevin Kroeger CFP®  
 Guang Lin CFP®  
 Lin Liu CFP®  
 Nicholas Lloyd CFP®

Jacob Locascio CFP®  
 Tamim Marial CFP®  
 Evelyn Marsh CFP®  
 Jonathan McLean CFP®  
 Gregory McLoughlin CFP®  
 James Miller CFP®  
 Michael Miller CFP®  
 Jonathon Missingham CFP®  
 Christelle Murr CFP®  
 Linh Nguyen CFP®  
 Kurt Ohlsen CFP®  
 Sarah Owens CFP®  
 George Pereira CFP®  
 Richard Pritchard CFP®  
 Nobel Pullan CFP®  
 Quyen Quach CFP®  
 Samson Rutton CFP®  
 Oussama Ryma CFP®  
 Nicolas Saravanja CFP®  
 Shreya Singh CFP®  
 Bowen Tang CFP®  
 Alex Chan Kow Thong CFP®  
 Gareth Tomlinson CFP®  
 Karen Truman CFP®  
 Rohan Varghese CFP®  
 Steven Watson CFP®  
 Blake Wendt CFP®  
 Genene Wilson CFP®  
 George Wong CFP®  
 Graham Yon CFP®  
 Craig Young CFP®

**QLD**

Crystal Bobir CFP®  
 Andrew Faber CFP®  
 Simon Farmer CFP®  
 Jason Fung CFP®  
 Matthew Gartrell CFP®  
 Louise Gibson CFP®  
 Brenton Gluch CFP®  
 Mehmed Kahric CFP®  
 Joshua Logan CFP®  
 Kristy Longhurst CFP®  
 Samuel Mackay CFP®  
 Rohit Maheshawari CFP®  
 Vincent Martin CFP®

Julian McBean CFP®  
 Adam Miliszewski CFP®  
 Jessica Olsen CFP®  
 Agnieszka Oudendijk CFP®  
 Morgan Papi CFP®  
 Drew Partridge CFP®  
 Cassandra Pearson CFP®  
 Cynthia Sercombe CFP®  
 Gina Somers CFP®  
 Terence Verhaar CFP®  
 Damon Zischke CFP®

**SA**

James Bolingbroke CFP®  
 Nicole Dwyer CFP®  
 Thomas Huxtable CFP®  
 Steven Radic CFP®  
 Dylan VandenBrink CFP®  
 Benjamin Wells CFP®

**TAS**

Danielle Farrell CFP®  
 Michael Fox CFP®  
 Jacqueline Hayes CFP®  
 Ying He CFP®  
 Thomas Whitley CFP®

**VIC**

Romeo Abdo CFP®  
 Asha Achuthan CFP®  
 Kural Akcamci CFP®  
 Daniel Anevski CFP®  
 Vincent Armocida CFP®  
 Kristianne Badgery CFP®  
 Valerie Baring CFP®  
 Belinda Barr CFP®  
 Thomas Bowman CFP®  
 Timothy Burmeister CFP®  
 Matthew Campbell CFP®  
 Hamish Clark CFP®  
 Steven Craigie CFP®  
 Lynda Cross CFP®  
 Riccardo Daquino CFP®  
 Alison Dellow CFP®  
 Weifeng Dong CFP®  
 Michael Eagar CFP®

## MEMBERS

Victor Fallon CFP®  
Con Gianna CFP®  
Pierce Hanlen CFP®  
Bree Hanslow CFP®  
Jaya Hingorani CFP®  
David Howie CFP®  
Tao Hsu CFP®  
William Hume CFP®  
Tingting Jia CFP®  
James Kelly CFP®  
Jason Kenna CFP®  
Michael Kostos CFP®  
Ryan Loveday CFP®  
Chitladda Mahanivong CFP®  
Moiz Mandani CFP®  
Stuart Matheson CFP®  
Alexander Nakonechnyy CFP®  
Brendan Peacock CFP®  
Nicholas Phillips CFP®  
Kael Plummer CFP®  
Jacqueline Quental CFP®  
Dermot Reiter CFP®  
Bernadette Shiels CFP®  
Jason Sibio CFP®  
Louay Sleiman CFP®  
Belinda Slinger CFP®  
Justin Smaluch CFP®  
Hisako Toguchi CFP®  
Michael Wallace CFP®  
Luke Wilson CFP®

## WA

Alisha Bonomi CFP®  
Nicholas Bordi CFP®  
James Green CFP®  
Seng Choon Kwa CFP®  
Jennie Lim CFP®  
Rachelle Misich CFP®  
Isabella Sala CFP®  
Ronny Salomon CFP®  
Kerrie Sargent CFP®  
Jarryd Thraves CFP®  
Stefani Wijaya CFP®

# Continuing professional development



## FPA MY CPD

This year, FPA launched FPA My CPD, a solution for members that is set to provide the largest aggregation of FPA and FASEA accredited CPD options from a range of partners and the FPA. FPA My CPD also allows members to track their CPD hours, all in the one convenient place.

FPA My CPD includes:



### CPD Finder

Members can search an extensive list of CPD options from suppliers and the FPA, including articles, webinars, courses, quizzes and workshops. Search by CPD area, number of hours and delivery format. The FPA aims to have hundreds of hours of CPD content available from a wide variety of suppliers by the end of the year.



### CPD Tracker

Track and measure CPD in one place to ensure members fulfil all their personal CPD requirements, including FPA, TPB and FASEA. The CPD Tracker will also be further developed to allow members to export a copy of their CPD records, search their training history and schedule future CPD activities.

My CPD is available free to charge to FPA members on the FPA's online learning hub, FPA Learn.

### CPD CONTENT

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.

Our 2019/20 CPD webinar series enabled FPA members to access 46 free online learning sessions across practice management, technical, developmental and professional value capabilities. This year, 6,582 members attended a webinar live or watched a recording.

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.



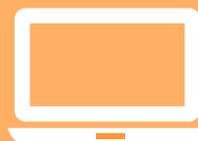
**16,647**  
Visits to  
FPA MyCPD



**518**  
CPD hours  
available on  
FPA MyCPD



**1,570**  
hours of  
CPD content  
accredited in  
2019/20



**46**  
free CPD  
webinars for  
FPA members

# Chapter network

FPA members connect locally through a network of 30 Chapters across Australia. Each Chapter has a volunteer Chapter Chair (CFP® professional or Financial Planner AFP® member) and committee who engage with local members and facilitate members to connect and share.

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.

Throughout the year, **44 Chapter events** were held with over **1,130 total attendees** (until COVID-19 forced cancellations). These events also offered members nearly **40 CPD hours**.

The members of the RCC are:

**Chair:** Delma Newton CFP®

Mark Alexander CFP®

Naomi Alletson AFP®

Susie Erratt CFP®

Andrew Harris CFP®

Francesca Hughes CFP®

Gary Jones AFP®

Todd Kennedy CFP®



**Chapter events** **44**

**Total attendees** **1,130**

**CPD hours** **40**

# Member services and resources

## FPA RETURN TO LEARN

FPA Return to Learn is an online education portal designed to help members understand and adapt to the new FASEA education requirements. It includes resources and tools including an education pathways tool and cost comparison tool, which allows members to compare FASEA-approved degrees to identify the most suitable one for them. It also includes a comparison of the credits and Recognition of Prior Learning on offer.

As FPA members continue to prepare and sit the FASEA financial adviser exam, FPA Return to Learn offers a range of study resources, access to past exams and study tips.



## PROFESSIONAL YEAR SUPPORT

Under the FASEA education requirements, all new industry entrants are required to complete the Professional Year standard before they are qualified as a financial adviser. To support FPA members and businesses to create and deliver a comprehensive training plan for the Professional Year, the FPA created a new Professional Year (PY) tool to simplify and streamline this new process.

The PY tool has helped to fill a gap in the market and includes a workflow tool for creating and tracking a PY training plan, as well as mentoring and coaching resources. The PY tool offers licensee, supervisor, and candidate views of each step on the PY pathway and a completion certificate is created automatically when a supervisor confirms all stages are complete for each quarter.

## EDUCATION PROVIDER COURSE DISCOUNTS

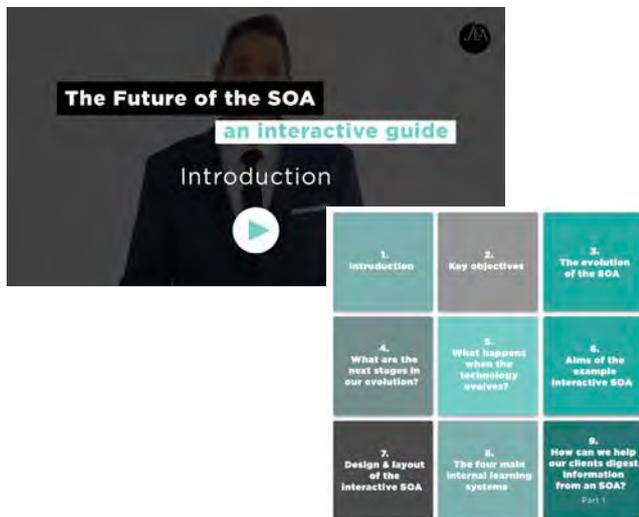
This year, we have partnered with several education to arrange discounts between 10 and 28 per cent on postgraduate course fees for FPA members.

The discounts are available for courses at:

- Kaplan Professional
- Swinburne University
- Deakin University
- TAFE NSW
- Central Queensland University
- RMIT University
- University of Newcastle
- University of New England
- University of South Australia

### FUTURE OF THE SOA

This year, the FPA released an interactive online guide on the Future of the Statement of Advice (SOA), designed to help members embrace digital and communications technology to improve the client experience of receiving advice, at the same time as reducing the cost of advice delivery. The guide – containing research, videos, podcasts and tools – challenges FPA members to look beyond the written, paper-based format of an SOA, in order to make advice more engaging and personalised.



### FPA WELLBEING

Mental health support has been of a high priority this year given the magnitude of critical incidents in Australia and across the world. To support our members, FPA Wellbeing is a free, confidential program offered to FPA practitioner members. Available through our partner Benestar®, the service offers no-cost, confidential sessions with qualified counsellors and psychologists via phone, Live Chat or face-to-face.



Members also have access to a library of health and wellbeing resources, available via an app.

### FPA COMMUNITY

New for members this year, FPA Community is a secure, online discussion forum for FPA members to connect, collaborate and communicate with their peers. FPA Community is now our main channel for seeking member input into policy submissions and consultations. It also provides a platform for members to ask question, start a discussion or share information. This year, 5,223 members have been active on FPA Community and there’s been over 10,600 discussion replies posted.



### DIGITAL MEMBERSHIP BADGE AND CERTIFICATE

FPA members each receive their own personal FPA digital badge and certificate allowing them 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 which automatically updates each year when a member renews.



## MEMBERS



### MONEY & LIFE MAGAZINE

FPA's member magazine, Money & Life, 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 Professionals digital content site and the fortnightly e-newsletter.

### MEMBER TOOLKITS

The FPA publishes a library of tools, booklets and online resources for members containing practical guidance to support members in their businesses or provide updates on legislative issues or topics. Examples include our new Policy Platform Affordable Advice, Sustainable Profession, as well as our fintech online resources that help members map fintech to the financial planning process and assess which providers meet their needs.



### MEMBER COMMUNICATIONS

Helping FPA members keep abreast of the current issues and developments 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 around FASEA developments and the royal commission implementation process. We also publish dedicated e-newsletters for FPA student members, academics and those in the FPA Professional Practice and Partner programs.

During the year, the FPA team received and responded to over 8,700 member emails and 9,380 member calls, the majority were regarding member renewals and continuing professional development (CPD) enquiries.

We worked hard this year to maintain the average response time to inbound member communications and ensured email response times were kept to an average of one day. We also achieved a service standard of 74 per cent of phone calls answered in less than 30 seconds.

# Member events

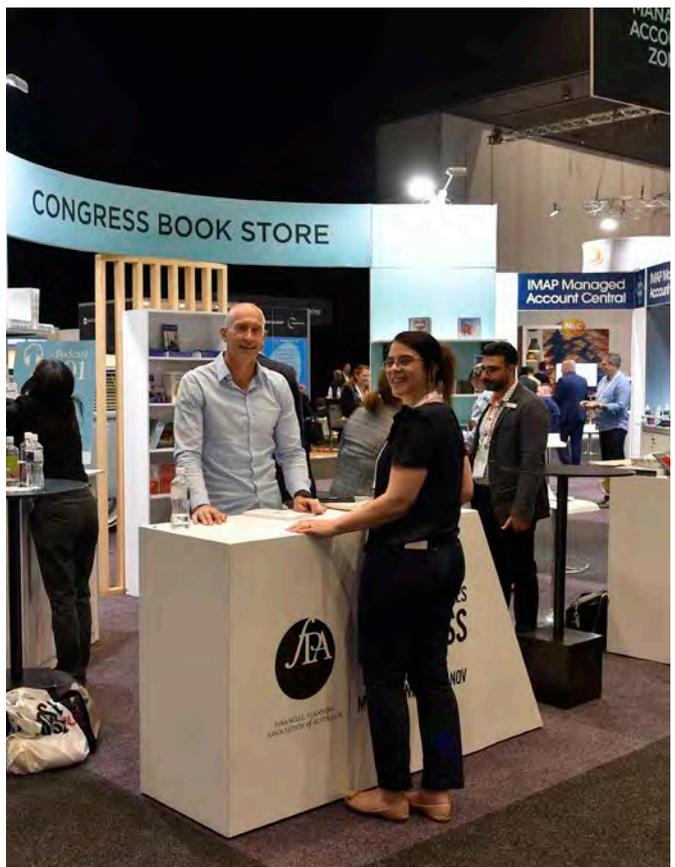
## 2019 PROFESSIONALS CONGRESS



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

2019 PROFESSIONALS  
**CONGRESS**

MELBOURNE 27–29 NOV



The FPA Professionals Congress is the flagship annual event for FPA members and the broader financial planning community. In November 2019, the event attracted over 1,400 delegates and took place in Melbourne. The Congress included an impressive program of keynote sessions and CPD workshops featuring international and Australian experts.

## GOVERNMENT AND REGULATOR EVENTS

The FPA is proud to be able to connect members with key politicians and regulator executives through exclusive webinars. In May 2020, around 1,000 FPA members tuned in to an exclusive FPA webinar with the Assistant Minister for Superannuation, Financial Services and Financial Technology, Senator the Hon Jane Hume, making this one of the highest attended FPA webinars to date. Further exclusive webinars with regulators and politicians are set to roll out in the new financial year.



## 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 or support Future2 fundraising initiatives. This year, 44 Chapter events took place before COVID-19 restrictions forced cancellations. We are currently exploring virtual event formats to adapt.

## FPA WOMEN IN WEALTH PROGRAM

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 is currently at 27 per cent which compares favourably with the industry average of 20 per cent.

The 2019 Women in Wealth event series was headlined by world-class netball athletes, Caitlin Bassett and Jo Harten and held in five locations with a total of 708 attendees. Platinum Asset Management generously sponsored the events. We also thank our alliance partner Financial Executive Women (FEW) and our FPA Women in Wealth Champions, our local advocates for female financial planners in our communities.



## RESPONDING TO COVID-19

The FPA quickly responded to the challenging and unprecedented times brought about by COVID-19 impacting events. In line with Government advice and necessary restrictions, the 2020 FPA National Roadshow scheduled for April - July 2020 was postponed. We have redesigned the 2020 FPA Professionals Congress, to be delivered virtually from July - October 2020, over 16 weeks. As we approach the new financial year, we will also deliver virtual events to replace the Careers in Financial Planning event series, Women in Financial Planning events as well as Chapter events.

## FPA TOGETHER SERIES

To assist FPA members to stay connected, we launched a new online initiative - FPA Together. In May 2020, FPA Together brought members a series of free interactive online events, where members received the latest developments impacting the profession, their businesses, careers and clients. Eleven events ran during May and June 2020 and received over 750 member registrations.

# FPA Professional Practice program

The FPA Professional Practice program is specifically designed to recognise financial planning practices that go above and beyond, by adhering to the highest professional standards to deliver best practice financial advice in the local community. In 2019/20, there were 221 practices in the FPA Professional Practice program.

The benefits of being an FPA Professional Practice include:

## RECOGNITION

FPA Professional Practices are financial planning practice role models, and employers of choice within their local professional community. They demonstrate the highest standards, through commitment to the FPA Code of Professional Practice and CFP® Certification. They gain access to FPA Professional Practice branding. This unique logo provides immediate, visual recognition when displayed on office signage and business stationery.

## NEW CLIENT OPPORTUNITIES

The FPA has implemented a series of national referral programs designed to connect Australians with financial planners in FPA Professional Practices to generate client leads.

## PROFESSIONAL STANDARDS

The quality of an FPA Professional Practice is instantly recognisable because at least 75 per cent of their practitioners are FPA members and a minimum of 50 per cent have achieved CFP® Professional status (or will become CFP® professionals by 30 June 2024).

## PRACTICE MANAGEMENT SUPPORT

FPA Professional Practices gain exclusive access to a tailored program of webinars and workshops with business principal peers, as well as practice management guidance and discounts off a range of FPA and industry services.

## FPA READY INDEX

Exclusive to FPA Professional Practices, this year FPA unveiled a new online business diagnostic tool, built in partnership with CoreData. The FPA READY Index is a comprehensive, independent assessment allowing a practice to benchmark themselves against other practices across five key business areas. It allows practice principals to identify strengths and weaknesses of their business. A client experience reporting tool is also now in development which will allow FPA Professional Practices to get feedback from their clients.

## INDUSTRY UPDATES

Regular tailored e-newsletters are shared with FPA Professional Practices throughout the year to provide relevant information and program updates to this community.



**PROFESSIONAL PRACTICE**  
FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

# 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 64 Partners in the program in 2019/20 and the FPA team engaged with Partners across the full breadth of our participating program cohort, large and small alike at meetings, PD days and conferences.

During the year, a series of Professional Partner Forums were held, including a Code Monitoring update and an FPA Policy Platform information session. The second dedicated FPA Professional Partner Workshop ran at the 2019 FPA Professional Congress at which the FPA Professional Partner Consultation Forum Committee was launched.

The FPA Professional Partner Consultation Forum Committee meets regularly with FPA management and policy team representatives to share information and provide feedback on financial planning policy developments and FPA advocacy strategies.

Regular tailored e-newsletters are shared throughout the year to provide relevant information to our Partner community.



# Academic engagement

FPA's close ties with academics at universities across Australia helps us to promote financial planning as a career choice, grow the number of financial planning students in Australia, as well as negotiate education offers for FPA members.

## FINANCIAL PLANNING EDUCATION COUNCIL (FPEC)

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

During this year, FPEC set up a new initiative to assist universities undergoing FASEA accreditation, the proceeds of which went directly into the FPEC research grant fund.

FPEC also mapped CFP1 recognising education providers with FASEA approval and enabling extended recognition of prior learning (RPL) to be offered to CFP certification applicants.

The integration of the CFP® Certification Program into Masters Programs was also approved and a research CPD webinar series was initiated for FPA members.

## 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 demonstrate a commitment to encouraging the development of financial planning as an academic discipline in its own right. High quality academic research into financial planning is also very important to the profession, as it raises the profile and standing of the industry, both in the community and at a policy level.

The 2019/20 members of FPEC are:

**Chair:** Sharon Taylor

Diana Bugarcic

Robert Durand

Dianne Johnson

Ronald McIver

Marc Olynyk AFP®

Vicky Ampoulos

Julian Place CFP®

Rebecca Watt CFP®

Dante De Gori CFP®

This year, FPEC announced two research grant award winners. Both research projects focused on the important issue of elder financial abuse. The first grant award went to the research team of Associate Professor Tina Cockburn TEP, Dr Kelly Purser TEP and Dr Sherrena Buckby of Queensland University of Technology (QUT). The second winner was the research team of Dr Tracey West, Richard Olley and Dr Tom Verhelst of Griffith University.

Each were awarded a grant of \$5,000. The 2019 FPEC Research Grant Awards were sponsored by NAB.



**FINANCIAL PLANNING  
EDUCATION COUNCIL**

FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

## 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.

Available on the FPA website, the journal incorporates peer-reviewed academic articles covering the full spectrum of the financial planning profession. This year, the editorial team coordinated peer reviews of articles due for publication next year and also commenced a special edition on the impacts of COVID-19 on financial planning.



# Professional standards

## CONDUCT REVIEW COMMISSION

The Conduct Review Commission (CRC) has been established by the FPA to regulate the conduct of members and uphold the highest ethical standards within the financial planning profession. It does this through experienced members of the profession, relevant experts, and members of the public by:

- considering complaints against members
- determining whether disciplinary proceedings should commence against members
- hearing and determining such proceedings where there has been a breach of the FPA Code of Professional Conduct
- hearing and determining appeals against findings of Disciplinary Panels.

The CRC consists of members appointed by the FPA Board. This includes an independent Chair and experienced financial planners from around Australia. The Chair of the CRC is Dale Boucher. In March 2020, Jacqueline Highfield was elected as the second Deputy Chair of the CRC, alongside Deputy Chair Graham McDonald. The CRC Chair and Deputies are experienced lawyers and are not FPA members.



*Dale Boucher,  
Chair of the  
Conduct Review  
Commission*

The FPA has a team of Investigating Officers (IOs). Their job is to investigate complaints about the conduct of FPA members, by reference to the FPA Code of Professional Practice. The Code binds all FPA members. Where there appears to have been a breach of the Code, the IOs will prepare a report for the CRC. The Chair may then direct the FPA to commence disciplinary proceedings against the FPA member.

Through changes made by the FPA in 2018 to strengthen the rigour of the CRC process, set out in the FPA Disciplinary Regulation, the CRC now has a greater role in independently determining whether allegations against FPA members should be dismissed or proceed to a Disciplinary Panel. This function is carried out by the Chair or by a Deputy.

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.

Preparations had been made during the earlier part of the year and previously for much of the FPA's disciplinary function to be duplicated by a new Commonwealth Government scheme to regulate the profession, but those plans fell into abeyance late in 2019.

## PROFESSIONAL ACCOUNTABILITY

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

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.

The FPA also offers 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 2019/20, the FPA's Professional Accountability program resulted in the following activity and results:

- 21 formal complaints. Of these 21 formal complaints, one was continued by the FPA following an FPA anonymous report via FPA Confidential.
- Reviewed eight Professional Practice applications and 11 individual member applications (by exception). Due diligence background checks ensure prospective members meet the standards of FPA membership. As a result of checks, three applicants were declined admission to the FPA.
- We automatically terminated the membership of six FPA members by operation of the Automatic Termination provisions of the FPA Constitution. (Refer to Table 1)

- Of the 33 ASIC bans in 2019/20, six related to individuals who were FPA members at the time of the banning. Alexander Thomas received a three-year ban, Lawrence O'Neill and David O'Brien received four-year bans, Frazer Muscat and Wendy Chapman were subject to five-year bans, while Scott Morrison received a seven-year ban from ASIC.

### Complaint Snapshot: 2019/20

Complaint made out of time	2
Dismissed - Commercial Dispute	5
Dismissed - lacking in substance	2
Dismissed - Not Capable of Breach	1
Complaint against a Non-Member	1
Academic Misconduct	5
Open - Investigating	5
<b>Total complaints in 2019/20</b>	<b>21</b>

### 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
Frazer Muscat	348634	AFP®	08/07/2019	Banning order under the Corporations Act
Lawrence O'Neill	002694	CFP®	25/11/2019	Banning order under the Corporations Act
Wendy Chapman	342204	AFP®	02/12/2019	Banning order under the Corporations Act
David O'Brien	358371	Associate	20/12/2019	Banning order under the Corporations Act
Alexander Thomas	338875	AFP®	30/04/2020	Banning order under the Corporations Act
Scott John Morrison	360167	Associate	05/05/2020	Banning order under the Corporations Act

During 2019/20, the CRC conducted three disciplinary hearings and handed down a decision of breach and sanctions in one of those matters:

#### CRC\_2020\_1 - Mark Kynaston CFP® (334671)

CRC disciplinary hearing into the conduct of Mark Kynaston was held on 20 November 2019.

Mark Kynaston was found to be in breach of the FPA Code of Professional Practice for undisclosed conflicts of interest.

## ACADEMIC MISCONDUCT INVESTIGATIONS

In 2019/20, 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:

- Three students enrolled in Semester 1 of CFP® 2 – Applied Strategies, were subject to investigation in relation to the reproduction of work that was not entirely their own work. One student was handed a fail result by the PDC, and was required to repeat their assignment. The other two students were issued with a written caution.
- Two students enrolled in Semester 1 of CFP® 3 – Applied Strategies 2, were subject to similar investigations. As a result, one student was issued a written warning by the PDC, and the other case was dismissed by the PDC on the recommendation of the Investigating Officer's report.

## CPD AND DESIGNATIONS AUDIT

Maintaining high professional development standards within the FPA membership is an important priority. During the year, FPA conducted two Continuing Professional Development (CPD) audits in September 2019 and March 2020. 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 2019/20



### CFP® Professionals

- 368 passed
- 1 failed

### Financial Planner AFP®/Associates

- 130 passed
- 0 failed

## HISTORIC PARTNERSHIP WITH THE TPB

On 25 June 2020, the FPA signed a new Memorandum of Understanding (MOU) with the Tax Practitioners Board (TPB), the first agreement of its kind between the two associations.

The MOU will facilitate information exchange about matters of mutual interest including compliance with the Tax Agent Services Act 2009 (TASA) and the Code of Professional Conduct. It sets out a clear and practical framework for engagement, cooperation and proactive information sharing between the two organisations.

The MOU allows for the exchange of information between the TPB and the FPA on issues including:

- misconduct by registered tax practitioners
- intelligence, operational matters and de-identified data trends
- continuing professional education opportunities.

# Advocacy

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***FPA strategic priority***

*FPA to be **the** voice of the profession*

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# Fighting for financial planners

## *A milestone year for advocacy*

The profession of financial planning in Australia is going through an unprecedented period of change. Financial planners are responding to a wide range of factors:

- changing employment conditions, with major licensees exiting or reducing their presence in the financial advice sector
- significant new reforms requiring financial planners to meet new professional standards
- exponential increases to regulatory and compliance costs
- changes to how financial planners are remunerated for their services
- clients with evolving expectations of how their financial planner interacts with them
- a need to improve public trust and confidence as a result of the Financial Services Royal Commission.

Advocacy has always been a key role of the FPA, and in this environment, the FPA has redoubled its advocacy efforts and lobbied strongly and successfully on behalf of members over the past 12 months. As a result, we have delivered significant regulatory relief for members.

Our lobbying efforts have been consistent and courageous. The FPA has an important relationship with both sides of government and key regulators. We continue to hold discussions with these stakeholders on the issues most critical to our members as we work together to build a thriving financial planning profession.

### **FASEA**

The FASEA education requirements have been one of the greatest pressures on our members.

The FPA's lobbying efforts in the first half of the year resulted in a series of major breakthroughs for members and the financial planning profession at large.

On 30 August 2019, Senator the Hon Jane Hume, Assistant Minister for Superannuation, Financial Services and Financial Technology, announced the Government would restore the full two-year period to pass the exam by extending the deadline for 12 months to 1 January 2022. The Government announced that it would also extend the deadline for meeting the FASEA education standard by 24 months to 1 January 2026.

Following an extensive advocacy process in Canberra, we were pleased to announce to our members in February 2020 that Labor would back the Treasury Laws Amendment (2019 Measures No.3) Bill 2019, granting financial planners an extension to complete new education requirements.

However, as COVID-19 rocked the nation in the first half of 2020, our advocacy efforts were at risk of being thwarted as both sides of government rightly focused on the pandemic. When the Government announced a comprehensive COVID-19 stimulus package that included the early access to super scheme, the FPA made sure the Government was aware how important financial advice would be to Australians in this new reality.

Faced with the added pressure of providing advice to new and existing clients in a global pandemic and national recession, the FPA took swift action to ensure our advocacy work on the FASEA extension would not become sidelined.

In June, our efforts were rewarded with financial planners officially granted additional time to complete new education requirements following this successful advocacy effort by the FPA.

### ROYAL COMMISSION

The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was presented to the Governor-General on 1 February 2019.

On 4 February 2019, the Hon Josh Frydenberg MP released the Government's Response to the Royal Commission. The Opposition released its formal response to the Royal Commission on 22 February 2019.

On 25 February 2019, the FPA Royal Commission Wrap-up was released, which aimed to filter all recommendations that may directly or indirectly affect the provision of financial advice.

The Royal Commission recommendations were a central focus for the FPA, its members and the broader financial services sector during the first half of the 2019-2020 financial year. During that time, the FPA made numerous submissions to the Government in relation to the proposed reforms.

Initially, the consultation process was far too restrictive. However, after significant advocacy efforts the FPA was able to have its voice heard.

We responded to the Federal Government's draft legislation when it was released on 31 January 2020. The draft legislation addressed 22 of the recommendations put forward by the Financial Services Royal Commission.

The greatest concern for the FPA was the significant impact these reforms would have on our members. We strongly warned government that, if implemented, the Royal Commission recommendations would further increase the time and the administration burden on financial planners helping their clients.

One specific proposed recommendation in the draft legislation that the FPA continues to challenge relates to the requirement for financial advisers to renew client fee arrangements every 12 months, rather than the current two-year period.

The FPA agrees financial planners should be required to periodically review and renew ongoing fee arrangements, document them and seek the consent of their clients for any fees to be charged. However, we believe requiring this to be conducted annually without any modification to the existing operation of the law around when an ongoing fee arrangement can be renewed rather than reset, adds considerable time and cost pressures on financial planning practices and encourages unprofessional behaviours. It is impractical and will be too much of an administrative burden for many practices.

The Government has deferred the implementation of the royal commission recommendations for six months due to the disruptive impact of COVID-19. Measures that were to be introduced into the Parliament by 30 June 2020 will now be introduced by December 2020.

The FPA remains in close consultation with the Minister, Treasury, and other associations to ensure the royal commission reforms reflect the best interests of FPA members and the financial planning profession more broadly.

### STRENGTH THROUGH COLLABORATION

One of the highlights of our advocacy work over the past year has been our continued partnerships with professional associations to achieve common goals.

The significant level of reforms impacting the broader financial services industry has created an opportunity for the FPA to build strong relationships with professional associations and create a united voice when advocating for our respective members.

Our collaboration with the Association of Financial Advisers (AFA) continued following the establishment of the Joint Taskforce in June 2019. ASIC's review of the Life Insurance Framework (LIF) has become a central focus for the Joint Taskforce.

In October 2019, the FPA joined forces with CPA Australia, Chartered Accountants Australia and New Zealand (CA ANZ), SMSF Association (SMSFA), and the Institute of Public Accountants (IPA) to ensure Australians can get the advice they need to understand the Federal Government's COVID-19 economic packages, including early access to their superannuation.

Our joint efforts led to ASIC granting regulatory relief for financial planners around COVID-19, including:

- an extension of time critical provisions from 5 to 30 days for new and existing clients seeking advice due to COVID-19
- exemption from providing a Statement of Advice (SOA) for existing clients seeking advice due to COVID-19. Existing clients include any client of the Australian Financial Services Licence (AFSL) or practice even if they have previously seen another planner.

### **POLICY PLATFORM**

On 25 May 2020, the FPA revealed its five-year MAC strategy and policy platform, Affordable Advice, Sustainable Profession. This is a major milestone for the association and will inform our advocacy work and direction as an association over the coming years.

The FPA policy platform supports our three-pillar MAC strategy focused on members, advocacy, and the benefits of financial planning to Australian consumers. It is aimed at reducing regulatory duplication for financial planning professionals, lowering the cost of advice and helping more Australians access advice.

The regulation of financial advice has evolved over the past two decades into a complex framework of laws, regulation and regulatory guidance. Multiple regulators are responsible for overseeing an industry that is structured with licensees and financial planners.

As outlined in our policy platform, this complexity does not assist the Government in achieving the goals of regulation, these being to protect consumers and support a healthy financial planning profession.

Complexity does not assist licensees and financial planners to comply with regulation. It does not assist government agencies in overseeing the provision of financial advice and enforcing regulation. And it does not help consumers understand their rights and how to manage their relationship with their financial planner.

Regulation should be simplified so that its intent is clear and promotes compliance by licensees and financial planners. The regulatory framework should be streamlined to improve the effectiveness of regulators and ensure consumers have confidence that their rights are being protected.

The FPA has now commenced working towards achieving the policy platform recommendations. We look forward to announcing more successes as we continue to reduce the regulatory burden on behalf of members and create a more efficient and accessible profession that can be enjoyed by more Australians.

## FPA POLICY PLATFORM RECOMMENDATIONS

### 1.1 Single disciplinary body

A single government body should be responsible for overseeing financial planners, including setting mandatory entry, professional standards, investigating breaches of mandatory professional standards and other legal requirements, and conducting disciplinary proceedings.

### 1.2 Single registration

A single register of financial planners should be established, based on the existing Financial Adviser Register, and should be maintained by the single disciplinary body.

### 1.3 Single set of fees

Fees paid by financial planners to the Government should be consolidated into a single schedule administered by the single disciplinary body, which removes duplication of fees and is limited to recovering the cost of efficient and effective oversight.

### 1.4 Single set of professional standards

A single set of mandatory professional standards should apply to financial planners and these standards should be maintained and enforced by the single disciplinary body.

## 2.1 General advice

The law should be changed to rename the term 'general advice' to 'product information' and 'strategy information', which better reflects the definition and is less misleading to consumers. Any replacement must ensure that the term 'advice' can only be used in association with 'personal advice' – that is, advice that takes into consideration personal circumstances.

The general advice warning should be amended to include a statement that the recipient may benefit from advice which takes account of their personal circumstances and they should consider seeking advice from a financial planner.

At an appropriate point after renaming 'general advice' and amending the general advice warning, the Government should review the use of general advice to determine whether general advice is being provided in appropriate circumstances and if consumer interests are being protected.

### 2.2 Restricted and like terms protection

ASIC should review the use of the terms 'financial planner', 'financial adviser' and like terms (including 'financial coach', 'financial mentor' and 'financial guru') to determine if restrictions on the use of these terms are effectively protecting consumers from unqualified financial advice.

### 2.3 Sophisticated investor

The law should be changed to revise the test for a 'sophisticated investor' by increasing the dollar-value threshold to an appropriate and contemporary level, providing a method for indexation and introducing a financial capability measure.

### 2.4 Professional indemnity insurance

The recommendations of the St John report on 'Compensation arrangements for consumers of financial services' should be implemented in full to manage the cost, operation and effectiveness of professional indemnity insurance.

### 3.1 Professional registration

Registering with the single disciplinary body and maintaining accurate information on the register should be the individual responsibility of each financial planner, not their employer or licensee.

Information on the register relating to a financial planner should be verified by the single disciplinary body and represent an authorised record of whether a financial planner has complied with their professional standards.

### 3.2 Separation of product and advice

The law should be changed to separate the regulation of financial products from the regulation of financial advice.

### 3.3 Future of licensees

The law should be changed to focus the AFSL system on the regulation of financial products and remove the requirement for an AFSL to cover the provision of financial advice.

### **3.4 Tax and Centrelink agent status**

The Australian Taxation Office and Centrelink should improve their online access arrangements to ensure financial planners are able to act on behalf of their clients with respect to their tax obligations and benefits administered by Centrelink.

### **4.1 Access to data**

The consumer data right should be extended to superannuation products and be designed to allow financial planners who have been authorised by clients to act on their behalf by accessing their financial data.

### **4.2 Electronic disclosures and transactions**

The Government should work with industry stakeholders to improve the take-up and effectiveness of electronic methods of disclosure, consent and transactions, including through standardised processes and forms and, where appropriate, by requiring industry participants to provide electronic options.

### **5.1 Ability to receive the advice you want**

Regulatory guidance, including model Statements of Advice, should be provided to clearly articulate the circumstances in which a financial planner can provide advice on a limited scope engagement, with the aim of providing consumers with more options for how they receive affordable financial advice.

### **5.2 Small investment advice**

The law establishing 'small investment advice' should be changed to increase the threshold and allow for the provision of advice on superannuation. At a minimum, the threshold should allow for advice up to \$50,000 per person to cover voluntary concessional superannuation contributions and similar minor investments. A method of indexing the threshold may be appropriate to ensure it remains aligned with contemporary values.

### **5.3 Tax deductibility of advice**

All financial advice should have tax deductible status, regardless of what stage of the financial advice process it is provided and whether it directly relates to the creation of investment income.

## 5.4 Fees from superannuation

A single set of rules should apply to all superannuation accounts which allow the payment of fees for financial advice with appropriate requirements for renewal notices, disclosure and authorisation of fees.

## 5.5 Insurance advice fees

The Life Insurance Framework should continue to allow consumers to choose how to pay for their life insurance advice. Life insurance companies should provide consumers with flexibility in how financial advice is paid for by creating new fee collection options and new products that offer transparent and commission-free options.

### **SINGLE DISCIPLINARY BODY: THE KEY TO REDUCING RED TAPE**

The Morrison Government is due to establish a Single Disciplinary Body in 2021 as part of its implementation of the royal commission recommendations. The FPA believes it is imperative that the single disciplinary body be used to consolidate the current regulatory framework.

A single disciplinary body must streamline regulation. This consolidation would not only benefit financial planners by reducing costs and driving efficiencies but would allow them to potentially offer more affordable advice to more Australians.

The single disciplinary body should assume key functions of ASIC, FASEA and TPB as they relate to financial advice, thereby having primary responsibility for government oversight of the conduct of financial planners, setting mandatory professional standards, investigating potential breaches of mandatory standards and law, and applying discipline.

A single disciplinary body should be a single source of truth. Improving the productivity of financial planning practices and those that regulate them is essential for the continued growth of the profession and the provision of affordable financial advice.

## SUBMISSIONS MADE DURING 2019/20 FINANCIAL YEAR

### *Treasury: Treasury Laws Amendment (2019 Measures No. 2) Bill 2019*

On 29 July 2019, the FPA provided feedback in response to the Treasury consultation on genuine redundancy and early retirement scheme payments.

The FPA supports the proposed inserts for Treasury Laws Amendment (2019 Measures No. 2) Bill 2019, which seek to align access to the tax-free component for genuine redundancy payments with the Age Pension age.

### *ASIC: CP 313 - Product Intervention Power*

On 7 August 2019, the FPA provided feedback in response to the Australian Securities and Investments Commission (ASIC) consultation on proposed Product Intervention Power.

The FPA supports the proposed proactive power for ASIC to intervene when a product has resulted, will result or is likely to result in significant detriment to consumers. We welcome the provision that a type of product intervention includes the mandate of seeking personal advice before being offered the product.

### *Senate Economics Legislation Committee: Treasury Laws Amendment (2019 Tax Integrity and Other Measures No. 1) Bill 2019*

On 12 August 2019, the FPA provided input into the Senate Economics Legislation Committee's consideration of the Treasury Laws Amendment (2019 Tax Integrity and Other Measures No.1) Bill 2019.

The FPA provided support for Schedule 7 of the Bill as it serves to strengthen the law to ensure employee superannuation entitlements are paid in full. This is a fundamental right of all Australians. The FPA has raised concerns about weaknesses in the current law in relation to employer payments of superannuation for nearly a decade, and encouraged the Parliament to ensure these changes are implemented as quickly and efficiently as possible to protect employees wage entitlements.

### *Treasury: Treasury Laws Amendment (Unfair Terms in Insurance Contracts) Bill 2019*

On 28 August 2019, the FPA provided feedback on Treasury Laws Amendment (Unfair Terms in Insurance Contracts) Bill 2019.

The FPA supports a regulatory environment that provides enhanced protections and outcomes for consumers. However, care must be taken to ensure the implementation costs incurred by insurers (both directly and via ASIC's cost recovery levy) do not drive up the cost of insurance cover.

### *ASIC: CP 317: Unsolicited telephone sales of direct life insurance and consumer credit insurance*

On 29 August 2019, the FPA provided feedback in response to ASIC's Consultation Paper 317 on unsolicited telephone sales of direct life insurance and consumer credit insurance.

The FPA strongly supports ASIC's proposal to ban unsolicited telephone sales of life insurance when sold with general advice or no advice.

### *Treasury: Review of the Tax Practitioners Board – Discussion Paper*

On 12 September 2019, the FPA provided feedback in response to Treasury's Review of the Tax Practitioners Board.

The FPA welcomes and supports Treasury in its efforts to complete a post implementation review on the Tax Agent Services Act 2009 and the operational effectiveness of the Tax Practitioners Board, particularly in relation to the regulation of tax (financial) advisers. The FPA highlighted the complex regulatory environment financial planners operate under and recommended that the TPB consider how it can engage with other regulators and adopt higher regulatory standards where they exist to simplify the regulatory environment.

### *ASIC: CP 321: Whistleblower policies and draft Regulatory Guide 000*

On 18 September 2019, the FPA provided feedback on ASIC's Consultation Paper 321: Whistleblower policies, and the associated draft Regulatory Guidance.

The FPA supports the introduction of improved protections that encourage whistleblowers to disclose information to help identify and address misconduct and wrongdoing in the financial services sector and more broadly. The introduction of the new regime goes a long way to improving the current system.

However, we are concerned about the use of both mandatory and non-mandatory requirements mixed through the guidance and that code monitoring bodies do not appear to be covered by the whistleblower regime.

### *Treasury: Treasury Laws Amendment (Measures for a later sitting) Bill 2019*

On 27 September 2019, the FPA provided feedback in response to the Treasury's consultation on Treasury Laws Amendment (Measures for a later sitting) Bill 2019: miscellaneous amendments, and the accompanying Explanatory Memorandum.

The FPA supports the proposed amendments to ensure the sharing of information between ASIC and code monitoring bodies for the purpose of enforcing the new Financial Planner and Financial Adviser Code of Ethics.

***Treasury: National Consumer Credit Protection Amendment (Mortgage Brokers) Bill 2019***

On 4 October 2019, the FPA provide feedback in response to Treasury's consultation on National Consumer Credit Protection Amendment (Mortgage Brokers) Bill 2019 and associated regulations.

The FPA supports a system of regulation that is simple and robust and benefits both consumers and financial services professionals. While it is important to provide appropriate protections for consumers, the Government should also be mindful to reduce duplication and inconsistency in regulation as a method of reducing compliance costs for business.

***Treasury: ASIC Enforcement Review Taskforce draft legislation - Search Warrants, Access to Telecommunications Intercept Material, Licensing and Banning Orders***

On 9 October 2019, the FPA provided comment on the draft legislation to implement the ASIC Enforcement Review recommendations in relation to Search Warrants, Access to Telecommunications Intercept Material, Licensing and Banning Orders.

The FPA supports the draft legislation and the proposed explanatory memorandums to implement the recommendations of the ASIC Enforcement Review. The FPA provided a number of comments and recommendations to enhance the alignment of the draft legislation with the intent of the recommendations from the Enforcement Review, and to improve the operation of the new laws in protecting consumers and the financial system.

***Treasury: Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Regulations 2019***

On 11 October 2019, the FPA provided feedback on the Corporations Amendment (Design and Distribution Obligations and Product Intervention Powers) Regulations 2019.

The FPA supported additional measures to extend the Design and Distribution Obligations (DDO) and Product Intervention Powers (PIP) to credit products. We reemphasised our position in relation to financial advice and support the exclusion of personal advice under 'excluded conduct' in the act based on the best interest's duty obligations to personal advice.

***Treasury: Exposure Draft of the Superannuation (Unclaimed Money and Lost Members) Regulations 2019***

On 25 October 2019, the FPA provided feedback to Treasury in response to the Exposure Draft of the Superannuation (Unclaimed Money and Lost Members) Regulations 2019.

The FPA sought clarification on the time frames for meeting the conditions of release of benefits specified within Part 5 of the Exposure Draft. We noted that some of these conditions of release are "point in time" (e.g. permanent incapacity, retirement, etc.) and other may be considered to be ongoing and provide a regular income stream payment for the member (e.g. attaining preservation age and paying a transition to retirement income stream).

### *ASIC: Draft Legislative Instrument and revised RG38: The hawking prohibitions*

On 1 November 2019, the FPA provided feedback in response to ASIC's draft Legislative Instrument and revised Regulatory Guide to enact anti-hawking provisions in relation to life insurance and consumer credit insurance products.

The FPA supported and welcomed the clear exemption of the offer of a life insurance product if made with the provision of personal financial advice and acknowledge ASIC's efforts in addressing many of the concerns raised in our previous submission.

### *APESB: Exposure Draft 04/19 - Revision of APES 230: Financial Planning Services*

On 11 November, the FPA provided feedback to the Accounting Professional & Ethical Standards Board on its proposed amendments to APES 230 Financial Planning Services.

The FPA recommended an appropriate transition is required for an annual opt-in. APESB should include this proposal in its more extensive review of APES230 in relation to the RC recommendations and FASEA Code, due out in November.

### *FASEA: Code of Ethics Guidance*

On 25 November 2019, the FPA provided feedback in response to the Financial Adviser Standards and Ethics Authority's (FASEA) Code of Ethics guidance.

The FPA noted that it supports the introduction of a compulsory code of ethics for the financial advice profession. However, the FPA made 17 recommendations in relation to improving FASEA's guidance to improve clarity for members on the operation of the Code. The greatest concern was the timing and compliance of the code as advisers are expected to comply with the code without any time transition to amend their business processes. As the priority was to Standard 3, the FPA recommend that FASEA work with Government and ASIC to facilitate compliance with the Code for a 12 month period based on FASEA's delay in setting the standard and providing clear guidance.

### *Senate Select Committee on Financial Technology and Regulatory Technology*

On 23 December 2019, the FPA provided feedback to the Select Committee on Financial Technology and Regulatory Technology.

The FPA highlighted that fintech is not displacing jobs in wealth management but rather enhancing the role of financial advisory services. Further, the FPA took the opportunity to showcase our support for members adopting new fintech software.

These projects include fintech white paper, digital buyers' checklist and, more recently, our guidance on the future of the statement of advice (FOSOA). In summary, financial planners are in a great position to benefit from regulatory reforms that support fintech development.

### *Treasury: Making insurance claims handling a financial service*

On 10 January 2020, the FPA provided feedback in response to Treasury's exposure draft legislation and regulations to make insurance claims handling a financial service.

The FPA supports the royal commission's recommendation 4.8, that the handling and settling of insurance claims, or potential insurance claims, should no longer be excluded from the definition of 'financial services'.

### *Treasury: 2020-2021 Budget Submission*

On 31 January 2020, the FPA submitted its pre-budget submission for the 2020-2021 financial year.

The FPA submission made five recommendations designed to reduce regulatory costs and help planners provide advice to more Australians.

### *Treasury: Compensation Scheme of Last Resort (CSLR)*

On 7 February 2020, the FPA submitted recommendations to Treasury relating to the Compensation Scheme of Last Resort (CSLR).

The FPA has previously opposed the establishment of a Compensation Scheme of Last Resort (CSLR) as a first step in ensuring compensation for unpaid determinations from financial services complaints, and the Government should focus on identifying and rectifying why the professional indemnity requirements have failed.

### *Treasury: Stamping fee exemption*

On 20 February 2020, the FPA provided feedback in response to Treasury's consultation on the stamping fees exemption that applies to listed investment entities.

The FPA supports the removal of the exemption that allows stamping fees on listed investment entities. The FPA believes that fees for financial planning services should be paid by clients, not by product providers, and stamping fees do not promote clients to understand and compare the fees they are paying. In 2009 FPA members voted to ratify the FPA Remuneration Policy which sets out principles for best practice financial planner remuneration. The policy states that members should move to a client directed remuneration model from 2012. While it is not mandatory, the policy has been effective at promoting best practice for remuneration in financial planning.

## *Treasury: Financial Services Royal Commission Implementation*

On 28 February 2020, the FPA provided feedback to the following draft recommendations of the Financial Services Royal Commission:

- FSRC Recommendation 2.1: Ongoing Fee Arrangements
- FSRC Recommendation 2.2: Disclosure of non-independence
- FSRC Recommendations 3.2, 3.3: Advice fees in superannuation
- FSRC Recommendations 1.6, 2.7, 2.8, 2.9, 7.2: Reference checking and information sharing, breach reporting and remediation

## *Independent Review: Retirement Income Review Submission*

On 3 February 2020, the FPA provided a submission to the Government's independent review of the retirement income system. The review was designed to focus on the three pillars of the existing retirement income system, being aged pension, compulsory superannuation and voluntary savings.

The FPA highlighted that financial advice should be recognised as performing a critical role in the cohesion of the retirement income system and the integration of the three pillars. There is also a need to consider how different generational groups interact with the system and address the broader financial literacy of consumers. The FPA also highlighted opportunities to improve access to financial advice, as per our submission to the pre-budget submission.

## *Attorney-General's Department: Enhancing protections relating to the use of Enduring Power of Attorney Instruments*

On 9 March 2020, the FPA provided feedback to the Attorney-General's Department on its Consultation Regulation Impact Statement on enhancing consumer protections for the use of Enduring Powers of Attorney (EPOA) instruments.

The FPA supported a secure national register of EPOAs with an automated system for registration. Financial planners should be authorised as third parties of EPOAs on the register.

## *ASIC: CP325 - Product Design and Distribution Obligations*

On 11 March 2020, the FPA provided feedback on ASIC's consultation on product design and distribution obligations.

The FPA supports ASIC's principles-based approach as it allows organisations to adopt a suitable and proportionate approach to reporting and compliance. In our response, the FPA answered questions that asked about information sharing and reporting obligations around target market determinations. The FPA strongly believes that through the existing regulation of personal advice, consumers are protected from being recommended unsuitable financial products. We believe these protections should be extended to other distributors of financial products.

### *TPB: Review of the Tax Practitioners Board's (TPB) Continuing Professional Education (CPE) Policy for tax practitioners*

On 18 March 2020, the FPA provided input into the Tax Practitioners Board's (TPB) review of its CPE Policy for tax practitioners.

The FPA supports a regulatory regime that is simple and broadly addresses the core issues at the heart of CPE provision, without creating additional complexities or regulatory burdens. Our submission is based on this principle. The FPA strongly encourages the TPB avoid unnecessary regulatory duplication and to accept the completion of CPD for FASEA purposes, and associated record keeping and evidence, as meeting the TPB's requirements for tax (financial) advisers.

### *ASIC: CP329: Implementing fee consent and independence disclosure*

On 7 April 2020, the FPA provided feedback in response to ASIC consultation (CP329) Implementing the Royal Commission recommendations: Advice fee consents and independence disclosure.

The FPA agrees financial advisers should be required to periodically review and renew ongoing fee arrangements, document them, and seek the consent to charge their clients. However, we believe there should be flexibility in the obligations to allow advisers to meet the annual requirements that best suit their clients. The ASIC instruments that aim to prescribe the product consent forms for ongoing and non-ongoing fees should be not duplicate current consumer protections that are already provided through renewal notices and fee disclosure statements.

The FPA supports the flexible approach ASIC has proposed for the non-independence disclosure statement and suggests changes to improve the consumer understanding of the disclosure.



# Consumers

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## ***FPA strategic priority***

*To showcase the value of financial advice among all Australians, increasing awareness and use of financial planners*

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# Pro bono work

## CANCER COUNCIL PRO BONO FINANCIAL PLANNING PROGRAM

The FPA partners with the Cancer Council to support a national referral program helping families affected by cancer who are unable to afford the cost of financial advice.

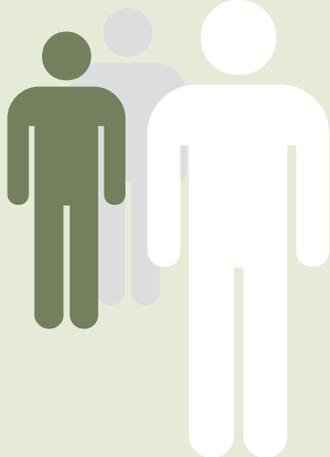
There are 119 CFP® professional and Financial Planner AFP® members registered for the program and we sincerely thank them for generously donating their time to help cancer patients and their families with a wide range of financial issues on a pro bono basis. This year, 165 client cases were provided pro bono financial advice.



## FINANCIAL PLANNING BUSHFIRE PRO BONO PROGRAM

In the aftermath of the 2019/20 Australian bushfire disaster, FPA members came together to offer the Financial Planning Bushfire Pro Bono Program to help those impacted to rebuild financially.

A joint initiative of the FPA and the Association of Financial Advisers (AFA), the program offers guidance to those affected by the bushfires to help them consider their options and reassess their financial position given the circumstances they have experienced. There are 68 financial planners registered for the program and 15 referrals for pro bono financial advice have been received to date.



### Cancer Council Pro Bono Financial Planning Program

**119** CFP® professional or AFP® members registered

**165** client cases provided advice in 2019/20

### Financial Planning Bushfire Pro Bono Program

**68** Financial planners registered

**15** referrals received to date

# Connecting with young Australians

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

We put in place a program to connect with the high school career adviser network to increase awareness of financial planning as a career choice. We attended career adviser conferences, presented at various events and shared career resources with over 1,100 advisers.



We also actively engaged with university students by participating in university open days, career expos and guest lectures, as well as connecting with and sponsoring 12 university student associations around Australia. This also included the provision of financial support of \$15,000 towards university student award programs.

We invited FPA Student members to join us at our flagship annual member event. This year, 80 students were sponsored to attend the 2019 FPA Professionals Congress, with thanks to local FPA Chapter support. This is a 38 per cent increase in student member delegates to Congress from last year.

We were set to launch our Careers in Financial Planning events in early 2020, however COVID-19 restrictions forced the cancellation of these. The event series is being replaced by a virtual careers event series later in 2020 instead.



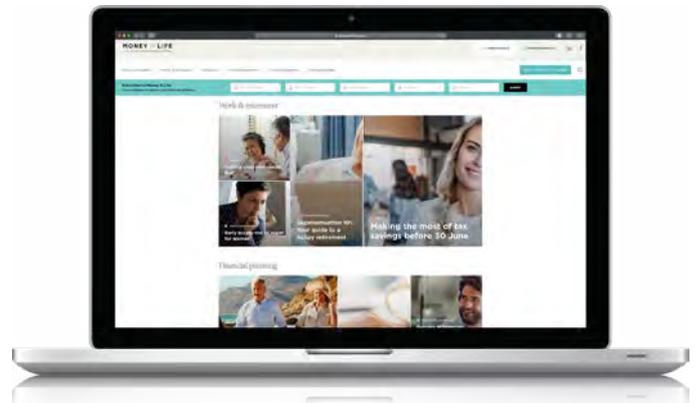
# Raising awareness of financial planning

## MONEY & LIFE

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

Readers subscribe to the free fortnightly newsletter to receive the tips, information and case studies to help improve their financial knowledge and learn about the benefits of financial advice. Much of the content is contributed by FPA members and showcases their expertise.

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



# Connecting consumers with FPA members

The FPA plays an important role in connecting consumers looking for a financial planner with FPA members. Research shows that visiting an association’s website to search for a planner is the third most likely method, behind word of mouth/ recommendation and general online search.

We run two services to facilitate this connection.

## FPA MATCH MY PLANNER

Match My Planner is an online service that provides a no-obligation, safe environment to help consumers find the right CFP® professional for their unique needs and circumstances.

Consumers complete a short online form with their financial goals, location and demographics. CFP® professionals then reach out via email if they match what the consumer is looking for.

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. When they are ready, they can book an appointment with the financial planner of their choice.

The service is available at [matchmyplanner.com.au](https://matchmyplanner.com.au). CFP professionals connect via the Match My Planner app, which sends notifications when an interested consumer creates an online profile.

## FPA FIND A PLANNER

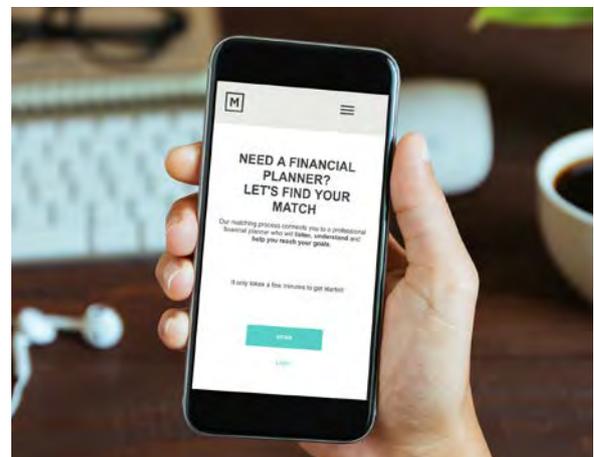
Find a Planner is FPA’s online search directory which lists CFP® professionals, Financial Planner AFP members and FPA Professional Practices. The search tool allows a consumer to verify if a financial planner is an FPA member, or to search for an FPA member in their location. It provides a list of planners and their profiles. The Send a Message feature allows a consumer to make email contact with the FPA member.

The online directory is accessible at [fpa.com.au/find-a-planner](https://fpa.com.au/find-a-planner).



**2,157**

**AUSTRALIANS LOOKING TO CONNECT WITH A CFP PROFESSIONAL USED MATCH MY PLANNER THIS YEAR**



**AVERAGE FINANCIAL PLANNER SEARCHES PER MONTH ON FIND A PLANNER**

# ‘Ask a CFP® professional’ advertising

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

Funded by an annual marketing levy contributed by CFP professionals, the 2020 campaign responded to the urgent financial concerns facing Australians as a result of the COVID-19 pandemic, reminding them to ‘Ask a CFP® professional’ for help.

The planning of this year’s campaign was a truly member-led one. We’d like to thank the eight CFP professionals who took part on our advisory panel to help us build the strategy.

The panel was made up of Julia Bull CFP®, Catherine Chivers CFP®, Andrew Dunbar CFP®, Olivia Maragna CFP®, Antoinette Mullins CFP®, Delma Newton CFP®, Matthew Ross CFP® and John Tsihlis CFP®

We also received input from the wider CFP professional membership who took part in surveys throughout the year.

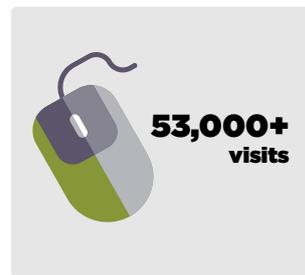
To respond to changing consumer behaviour as a result of lockdown restrictions, our advertising ran across digital, social media, podcast, Spotify, regional radio and Google search over six weeks. CFP professionals are encouraged to make use of the advertising in their own marketing channels to amplify the campaign’s reach.



## KEY RESULTS FROM THE ADVERTISING



Over **1,300 client leads** generated by the advertising through the FPA’s Match My Planner service – a **353%** increase in monthly traffic.



Over **53,000 website visits** from the ads, with viewers spending an average of five minutes reading content.



Research from CoreData\* tracking consumer sentiment showed an average awareness level of 38% for CFP® professionals. This **increased to 62.9%** for high income earners.



CoreData’s research showed **nine in 10 consumers** trust a CFP® professional to deliver reliable and valuable advice when compared to other professionals.

\* FPA CoreData Branding Tracking Research July 2020

# Financial Planning Week

In 2019, FPA celebrated its 19th consecutive Financial Planning Week (19 – 25 August 2019) celebrating the work FPA members do every day to help Australians enjoy a better financial future.

During the week, we highlighted the benefits of financial planning by shining a spotlight on the amount of money Australians spend on gift giving across media and social media.

We published a new national research report, FPA Gifts that Give that revealed Australians spend almost \$20 billion on gifts each year and 73% don't budget for this.

During the week, we ran a national consumer competition 'WIN the gift of a lifetime' calling for people to nominate themselves or someone to receive \$2,400 toward seeing a financial planner. We also published a free e-book to inspire more socially conscious gift giving as well as tips for budgeting.



## FINANCIAL PLANNING Week 2019

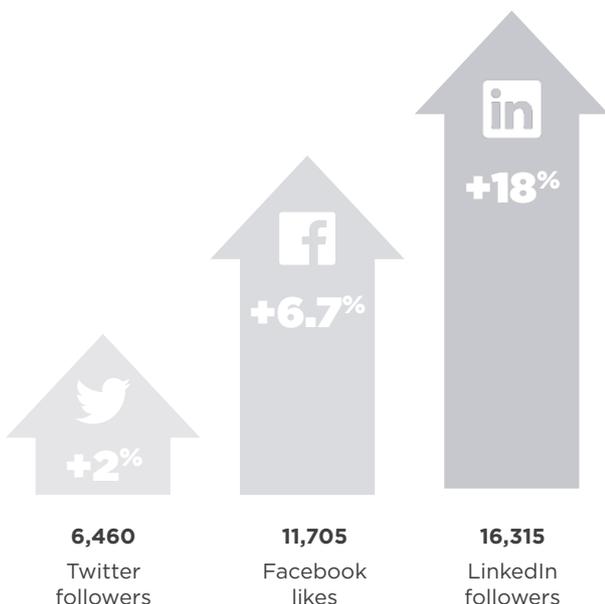
19 – 25 August

# Media relations and social media

FPA’s media relations efforts in 2019/20 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, the FPA connected CFP® professionals directly with journalists to provide them opportunities to share their expert commentary on financial planning in the media.

Connecting with FPA members via Twitter and LinkedIn provides another channel for members to be updated on the latest industry 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.



# 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! Grants program, Future2 supports young Australians aged 12 to 25 years experiencing social, financial or physical hardship.

Since 2007, Future2 has committed \$1,188,212 in grants to grassroots programs. Future2 funds projects that contribute to skills training, financial literacy, work experience, community service, mentoring and much more.

Financial planners from across Australia contribute to Future2 through donations, getting involved in fundraising activities and by nominating organisations for the annual grant program.

Every contribution makes the difference to ensure young people around Australia, who deserve a future too, lead productive, secure and happy lives.

We particularly acknowledge and thank the FPA Chapters for their strong commitment and financial support towards Future2.

## GRANT MAKING

Future2 awarded over \$191,000 in grants in 2019 to 20 charity organisations.

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



**\$191k**  
IN GRANTS TO HELP  
YOUNG AUSTRALIANS  
IN NEED IN 2019



**\$1.1m+**  
IN GRANTS HAS BEEN  
PROVIDED TO DATE



### FUTURE2 HIGHLIGHTS FOR 2019/20

Overall fundraising received was **\$386,874**.

Celebrating 10 years, the 2019 Future2 Wheel Classic cycling challenge in Victoria raised over **\$119,000** after expenses, from donations and corporate sponsorship. A huge thanks to the support of the 19 riders who participated rode over 819kms over six stages. Future2 also gratefully acknowledges its Wheel Classic Gold partner MLC, as well as the other supporting partners Iress, Magellan Financial Group and Pickles.

The 2019 Future2 Hiking Challenge took place in the Grampians mountain range and raised over **\$27,000**. A big thank you to the 12 hikers who trekked 17kms over two days.

Future2 fundraising at the 2019 FPA Professionals Congress raised a total of **\$73,427**, including event sponsorship from MLC and fundraising from the breakfast BBQ and raffles at the Future2 Celebration event.

FPA delivered four Future2 State and Chapter events with FPA members:

- Melbourne AFL Grand Final lunch raised over **\$22,700**
- Sydney Melbourne Cup event raised **\$10,456**
- WA Melbourne Cup event raised **\$39,464**
- Newcastle Christmas lunch raised **\$1,700**

Events were also planned for South Australia and Queensland but due to COVID-19 these were postponed.

FPA Women in Wealth events throughout this year also raised over \$10,000.

Donations from FPA members during membership renewals were \$43,794.

In 2020, our valued Future2 Foundation Silver Partners contributed \$9,000. Thank you to TAL, Hub24 and Story Wealth Management.



# Financial Statements



FINANCIAL PLANNING ASSOCIATION  
OF AUSTRALIA LIMITED  
(Limited by guarantee)  
**ABN 62 054 174 453**

# FINANCIAL STATEMENTS

for the year ended 30 June 2020

FINANCIAL PLANNING ASSOCIATION  
OF AUSTRALIA LIMITED

**ABN 62 054 174 453**

**DIRECTORS**

**M. Broome** *Chair*

**J. Bowd**

**A. Henderson**

**W. Johns** (appointed 27 November 2019)

**D. Newton**

**M. Tate-Loverly**

**P. Ruiz**

**D. Sharpe**

**CHIEF EXECUTIVE OFFICER**

**D. De Gori**

**COMPANY SECRETARY**

**P. Lovett** (retired 31 March 2020)

**W. Smith** (appointed 31 March 2020)

**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**

LNP Audit and Assurance Pty Limited  
Level 14, 309 Kent Street  
Sydney NSW 2000

### 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 chairs the FPA's board and is the Managing Director of Wealthadvice, an FPA Professional Practice operating in Sydney. Marisa has over 30 years' experience in financial services – and for the last 23 years has been running her own firm and practising as a financial planner.

Marisa is currently the Chair of the Governance and Remuneration Committee of the Board. Marisa has been an active member of the FPA since its inception, being involved on national committees on Professional Designations, Code Monitoring Australia, Policy and Regulation, Professional Standards, Audit, Education, Annual Conferences and the Sydney Chapter.



#### **Jane Bowd**

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

*Additional Director*

*Appointed 1 March 2018*

Jane Bowd is the Executive General Manager for Board Services and Governance, Insurance Australia Group.

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.



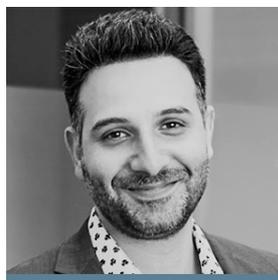
### **Alison Henderson**

CFP®, B.Com, M.Com, Dip FMB, MAICD

*Appointed 19 November 2014*

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, a member of the Audit and Risk Management Committee, and a Director of the Future2 Foundation.



### **William Johns**

CFP®, BBus, MDisSt

*Appointed 27 November 2019*

William is a practitioner member of the Board with a special interest in human rights, government policy relating to vulnerable Australians and disability policy. William has been a member of the FPA since 2008 and became a CERTIFIED FINANCIAL PLANNER® professional in 2010. In addition he holds a Bachelor of Business (Applied Finance, Financial Planning) and a Master of Disability Studies.

He was a member of the FPA Board Policy and Regulations Committee from 2011 to 2016, as well as the NSW State Winner in the CFP® Professional Best Practice Award in 2012, the NSW State Winner for the Future2 Community Service Award in 2014 and in 2016 a finalist in the CFP® Professional of the Year Award. Notably, he has been acknowledged by State and Federal Governments for his work with people with disabilities and their families and was chosen as a finalist in the National Disability Awards (UN, Commonwealth) in the Emerging Leader category. William is currently the Chair of the Professional Designations Committee.



### **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. Delma is employed as a financial planner with Tupicoffs Pty Ltd.

Prior to being elected to the FPA board in 2014, Delma had served on the Brisbane Chapter Committee for over 10 years, five of these as Chapter Chair. Delma also served on the FPA Membership Committee. She was the Chair of the FPA Professionals Congress from 2015 until 2017. Delma is now the Chair of the Regional Chapter Committee and also sits on the Audit and Risk Management Committee.



### **Paul Ruiz**

Additional Director

*Appointed 1 March 2018*

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, and a member of the Governance and Remuneration Committee, of the Board.



### **David Sharpe**

CFP®, B.Com, Dip FP, 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, MAICD

*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 has 31 years as a financial planner. She 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. Michelle was voted by her peers and recognised in Financial Standard Top 50 Influential Advisers in Australia 2017 - 2019. She 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 - 2019. Michelle is the Chair of the FPA Professionals Congress.

### Company Secretary

Wendy Smith

From 31 March 2020

Pene Lovett

CPA, CA, GAICD

Until 31 March 2020

### Corporate structure

The FPA 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 FPA is incorporated and domiciled in Australia.

### Objectives, strategy, nature of operations and principal activities

The FPA is a not-for-profit membership entity. Its five key roles are:

#### *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 \$241,000 for the year ended 30 June 2020 (2019: surplus \$270,000) and an after-tax surplus of \$241,000 (2019: surplus \$281,000), increasing accumulated members' funds to \$11,480,000 at 30 June 2020 (2019: \$11,100,000).

The key highlights that have occurred in the financial year to 30 June 2020 are as follows:

the launch of the Members, Advocacy Consumer (MAC) strategy that will lead our actions;

release of the policy platform for financial planning advocacy, 'Affordable Advice, Sustainable Profession';

FPA Congress in Melbourne in 2019 was our largest congress to date with over 1400 attendees;

launch of the CPD tracking tools including the Learning Record System in FPA Learn amongst other enhancements to the system including its use to deliver more than 300 hours of CPD to members;

successful advocacy to achieve an extension to the FASEA exam and education timelines and accreditation of the FPA LRS<sup>®</sup> AND AEPS<sup>®</sup> programs as two credits towards the FASEA education requirement;

introduction of a Professional Year program;

delivery of the annual renewal of membership by instalments project for renewals for 2020-21.

### COVID-19 pandemic

The COVID-19 pandemic has impacted the Association in various ways:

our annual roadshows 2020 event series were cancelled and replaced with a series of virtual presentations to chapters – FPA Together with more than 880 registered;

our annual Congress 2020 in Adelaide was cancelled but was replaced with the FPA [Virtual] Congress that launched in July;

we were eligible for the Government's COVID-19 cashflow boosts, JobKeeper and received rental abatement.

The Association is well positioned to manage through a range of potential scenarios:

a strong liquidity position;

a focus on member retention by offering renewal by instalment;

tightly controlled operating expenditure;

agility to switch to meeting member needs quickly including the launch of virtual events, member email response rates and altering our modes of communication, including offering our magazine digitally;

a restructure of the FPA teams to ensure their focus on member needs.

## Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the financial year ended 30 June 2020.

## Subsequent events

The directors are not aware of any other material events occurring after balance date of this report that would require further disclosure in these financial statements.

## 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 Board and Board Committee meetings held during the year and each director's attendance at those meetings was as follows:

	Board Committees <sup>3</sup>															
	Board		Audit & Risk Management		Governance & Remuneration		Policy & Regulations		Professional Designations		Professional Standards & Conduct		Regional Chapter		Code Monitoring Australia <sup>10</sup>	
	A <sup>1</sup>	B <sup>2</sup>	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Marisa Broome <sup>4,5</sup>	7	7			5	5			2	2					8	8
Jane Bowd	7	6	6	6	5	5										
Alison Henderson <sup>6</sup>	7	7	3	3			5	5								
William Johns <sup>4</sup>	4	4							2	2						
Delma Newton <sup>7</sup>	7	7	6	6									3	3	8	8
Paul Ruiz <sup>8</sup>	7	7	6	6	2	2									8	4
David Sharpe <sup>9</sup>	7	7			5	5					5	5			8	6
Michelle Tate-Lovery	7	7														

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

### Policy & Regulations Committee

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

### 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

### Professional Standards & Conduct Committee

Peter Bryant, James Cotis CFP®, Claire Mackay CFP®, Mark Malone AFP®, Michael Miller CFP®, Dacian Moses CFP®, Dean Pinto, Lisa Papachristoforos AFP®, Evan Poole CFP®, Stephanie Shrinet, Cheyenne Walker

### Regional Chapter Committee

Mark Alexander CFP®, Naomi Alletson AFP®, Susie Erratt CFP®, Andrew Harris CFP®, Fran Hughes CFP®, Gary Jones AFP® FFPA, Todd Kennedy CFP®

### Code Monitoring Australia Steering Committee

Mark Rantall CFP® (Chair), Dale Boucher

## Notes to table of meeting attendance

<sup>1</sup> Columns headed 'A' indicates the number of meetings the director was entitled to attend.

<sup>2</sup> Columns headed 'B' indicates the number of meetings attended by the director.

<sup>3</sup> With respect to Committee meetings, the table above records attendance of committee members. Any director is entitled to attend these meetings and from time to time, directors attend meetings of committees of which they are not a member.

<sup>4</sup> Marisa Broome chaired the Professional Designations Committee prior to February 2020 when William Johns assumed this role.

<sup>5</sup> Marisa Broome chairs the Governance & Remuneration Committee.

<sup>6</sup> Alison Henderson chairs the Policy & Regulations Committee. This committee has a number of non-director members as detailed below.

<sup>7</sup> Delma Newton chairs the Regional Chapter Committee. This committee has a number of non-director members as detailed below.

<sup>8</sup> Paul Ruiz chairs the Board Audit & Risk Management Committee.

<sup>9</sup> David Sharpe chairs the Professional Standards & Conduct Committee. This committee has a number of non-director members as detailed below.

<sup>10</sup> Following the change in direction from the Government, this Steering Committee disbanded at the end of October 2019. This Committee had a non-director chair, Mark Rantall.

### Indemnification of auditors

No indemnities have been given during or since the end of the financial year, for any person who is or has been an auditor of Financial Planning Association of Australia Limited.

### Auditor independence

The directors have received the independence declaration from the auditors set out on page 8 of the financial statements.

### Corporate governance

The FPA is a non-disclosing entity and is therefore not required to meet all the reporting and corporate governance requirements of a disclosing entity. In recognising the need for the high standards of corporate behaviour and accountability, the directors of the FPA support and adhere to the principles of corporate governance. Further information is presented at the FPA's internet site: <https://fpa.com.au/about/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 Association is an entity to which this legislative instrument applies.

Signed in accordance with a resolution of the directors.



**Marisa Broome**  
Director



**Paul Ruiz**  
Director

Sydney  
24 September 2020

LNP Audit + Assurance

ABN 65 155 188 837

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+61 2 9290 8515

L24 570 Bourke Street Melbourne VIC 3000

+61 3 8658 5928

L14 167 Eagle Street Brisbane QLD 4000

+61 7 3607 6379

www.lnpaudit.com

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

As lead auditor of Financial Planning Association of Australia Limited for the year ended 30 June 2020,  
I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit

LNP Audit and Assurance Pty Ltd



Robert Nielson

Director

Sydney 24 September 2020

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Revenue</b>	2	12,432	13,387
Employee benefits expenses	3(c)	(5,832)	(5,842)
Depreciation and amortisation expenses	3(a)	(404)	(356)
Conference, event, program and education expenses		(2,766)	(3,397)
Property occupancy expenses	3(b)	(435)	(418)
Advertising and marketing expenses		(695)	(864)
Administration expenses		(1,280)	(1,543)
Other expenses		(779)	(685)
<b>Total expenses from operations</b>		(12,191)	(13,105)
<b>SURPLUS FROM OPERATIONS</b>		241	282
Strategic advertising - net	3(d)	-	(12)
<b>OPERATING PROFIT BEFORE INCOME TAX</b>		241	270
Income tax benefit/(expense)	5	-	11
<b>OPERATING PROFIT AFTER TAX YEAR</b>		241	281
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>241</b>	<b>281</b>

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

## STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	17(a)	5,867	5,645
Trade and other receivables	6	1,734	2,762
Investments in financial assets	7	11,786	13,149
Other assets	8	416	1,058
<b>TOTAL CURRENT ASSETS</b>		<b>19,803</b>	<b>22,614</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	10	145	249
Intangible assets	11	601	704
Right-of-use assets	9	498	-
Other assets	8	-	135
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,244</b>	<b>1,088</b>
<b>TOTAL ASSETS</b>		<b>21,047</b>	<b>23,702</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	2,124	3,131
Income tax payable		-	-
Provisions	13	410	400
Deferred income	14	6,320	8,402
Lease liabilities	15(a)	404	-
Deferred lease incentive	15(c)	-	145
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,258</b>	<b>12,078</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	202	287
Lease liabilities	15(a)	107	-
Deferred lease incentive	15(c)	-	237
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>309</b>	<b>524</b>
<b>TOTAL LIABILITIES</b>		<b>9,567</b>	<b>12,602</b>
<b>NET ASSETS</b>		<b>11,480</b>	<b>11,100</b>
<b>MEMBERS' FUNDS</b>			
Retained earnings		11,480	11,100
<b>TOTAL MEMBERS' FUNDS</b>		<b>11,480</b>	<b>11,100</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	Retained Earnings \$'000	Total Equity \$'000
<b>AT JULY 2018</b>		10,819	10,819
Total comprehensive income for the year		281	281
<b>AT 30 JUNE 2019</b>		<b>11,100</b>	<b>11,100</b>
Adjustment for initial application of AASB 16	1(b)(i)	139	139
<b>RESTATED AT 1 JULY 2019</b>		<b>11,239</b>	<b>11,239</b>
Total comprehensive income for the year		241	241
<b>AT 30 JUNE 2020</b>		<b>11,480</b>	<b>11,480</b>

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 2020

	Note	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and non-members		11,893	13,628
Payments to suppliers and employees		(12,918)	(14,261)
Interest and distributions received		384	219
Interest on lease payments		(32)	-
COVID-19 government stimulus		306	-
Income tax (paid)/refunded		17	39
<b>Net cash flows (used in) operating activities</b>	17(b)	(350)	(375)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Term deposit maturity - net		1,159	100
Investment purchases - net		-	(647)
Purchase of plant and equipment		(6)	(2)
Purchase of intangible assets		(191)	(287)
<b>Net cash flows from / (used in) investing activities</b>		962	(836)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease payments		(390)	-
<b>Net cash flows used in financing activities</b>		(390)	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		222	(1,211)
Cash and cash equivalents at beginning of period		5,645	6,856
<b>Cash and cash equivalents at the end of the period</b>	17(a)	<b>5,867</b>	<b>5,645</b>

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

For the year ended 30 June 2020

### 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 2020 was authorised for issue in accordance with a resolution of the directors on 24 September 2020.

#### (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 2019. The nature and effect of the changes as a result of adoption of new accounting standards are described 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 did not have a material impact on the Association’s accounting for revenue streams (see Note 1(e)).

- **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 was effective for periods beginning on or after 1 January 2019.

AASB 1058 did not have a material impact on the Association’s revenue recognition.

- **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 adopted AASB 16 from 1 July 2019. The Association applied the modified retrospective approach on transition and reflected 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 were accounted for as leases under AASB 117 have been accounted for as lease contracts under AASB 16. The Association has not restated comparatives in accordance with the transitional provisions of AASB 16.

On adoption of AASB 16, the Association recognised 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 were measured at the present value of the remaining lease payments, discounted using an estimate of the borrowing rate of 4.5% as a proxy for the Association's incremental borrowing rate. The right of use asset and lease liability recognised as at 1 July 2019 were both \$901,000 and the deferred lease incentive liability of \$382,000 and deferred lease incentive asset of \$243,000 at that date were derecognised resulting in a net adjustment to accumulated funds of \$139,000.

*(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.

- **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 Australian Accounting Standards - References to the Conceptual Framework** has also been issued, which sets out the amendments to affected standards in order to update references to 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.

### **(c) Plant and equipment**

Plant and equipment are 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.

### **(d) 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.

### **(e) Revenue recognition**

#### ***Revenue from sale of goods and services***

Revenue from sale of goods and services is recognised when control of the goods has transferred to the customer, being the point in time when the goods are received by the customer. Revenue from services is recognised at the point the services are provided. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

#### ***Revenue from Contracts***

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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

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

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

Revenue is recognised when the events take place.

#### ***CFP program revenue***

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

#### ***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.

### **(f) 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 7.

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

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

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

### **(h) 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.

The recognition criterion of trade receivables have been reassessed by the Association for the year ended 30 June 2020 which resulted in the recognition of amounts that are bulked billed which were previously deemed to be part of the 'invitation to renew' receivables. This change is considered a change in accounting policy and therefore, the changes were applied retrospectively. The effect on comparative figures from this recognition change is shown below.

## NOTES TO THE FINANCIAL STATEMENTS

*Statement of Financial Position – line items impacted by change in accounting for trade receivables*

	<b>2019 as stated</b>	<b>Adjustments</b>	<b>2019 restated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade and other receivables	525	2,237	2,726
<b>Total Current Assets</b>	<b>525</b>	<b>2,237</b>	<b>2,726</b>
Trade and other payables	2,931	200	3,131
Deferred income	6,265	2,037	8,402
<b>Total Current Liabilities</b>	<b>9,296</b>	<b>2,237</b>	<b>11,533</b>
<b>NET ASSETS</b>	<b>11,100</b>	<b>-</b>	<b>11,100</b>

The change in policy had no impact on the statement of profit and loss and other comprehensive income.

### **(i) 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.

### **(j) Employee leave benefits**

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

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

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

### **(k) Members' funds**

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

### **(l) Leases**

*For current period*

- **Right of use assets**

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the relevant commencement date less any lease incentives received. Unless the Association is reasonably certain to obtain ownership of the leased asset at the end of the relevant lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the relevant lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**

At the commencement date of the relevant lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the relevant commencement date), and amounts expected to be paid under residual value guarantees. The Association applies the practical expedient to not separate non-lease components from lease components, and instead accounts for each lease component and any associated lease components as a single lease component.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Association uses the incremental borrowing rate at the relevant lease commencement date if the interest rate implicit in the lease is not readily determinable. After the relevant commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### ***For comparative period***

In the prior period, leases were accounted for as operating leases under AASB 117 Leases, and the policy was to recognise payments as an expense on a straight-line basis over the lease term.

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

The Association's investments are measured at Fair Value through Profit or Loss (FVTPL). Cash and cash equivalents, receivables and term deposits are recognised at amortised cost. Financial liabilities continue to be recognised as other financial liabilities. The Association applies the simplified approach for expected credit loss ECL and records lifetime expected losses on all eligible financial assets.

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

### ***Financial assets***

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### ***Classification***

On initial recognition, the Association classifies its non-investment financial assets at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Assets measured at amortised cost are financial assets where the business model is to hold assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding. The Association's financial assets measured at amortised cost comprise trade and other receivables, other assets and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

### ***Impairment of financial assets***

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

### ***Financial liabilities***

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Association comprise trade payables and finance lease liabilities.

### ***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### ***Subsequent Measurement***

Loans and receivables are carried at amortised cost using the effective interest method or cost.

### **Impairment**

The Association assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised as profit or loss. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of any impairment loss is recognised in profit or loss within administration expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other income in profit or loss.

### **(n) 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.

### **(o) 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.

### ***Leases***

The Association has made the following significant judgements with respect to its leases as lessee:

#### ***(i) Determining the lease term of contracts with renewal options***

The Association determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Under one of its facility premise leases, the Association is able to continually exercise the option to extend the term of the lease. The Association applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Association reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (i.e. a change in business strategy). The Association has included reasonably certain renewal options as part of the lease term for one of its facility premise leases for a further 5 years.

### ***(ii) Determining the incremental borrowing rate***

The Association has applied judgement to determine the incremental borrowing rate, which affects the amount of lease liabilities or right-of-use assets recognised. The Association reassesses and applies the incremental borrowing rate on a lease by lease basis at the relevant lease commencement date based on the term of the lease (or the remaining term of the lease at the initial date of application).

### **(p) Comparative Figures**

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

## 2. REVENUE

		<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue from customers	(a)	11,930	12,798
Income from investments	(b)	50	589
Government stimulus		452	-
<b>Total revenue</b>		<b>12,432</b>	<b>13,387</b>

### (a) Revenue from customers

Membership subscriptions		7,213	7,474
Practice fees		218	252
Partner fees		513	536
Conferences and seminars		2,826	2,470
CFP program		585	1,269
Continuing education		460	480
Other revenue		115	317
<b>Total revenue from customers</b>		<b>11,930</b>	<b>12,798</b>

### (b) Income from investments

Change in fair value of investments		(204)	136
Interest - non-related persons/corporations		186	221
Distribution income net of management fee		68	232
<b>Total income from investments</b>		<b>50</b>	<b>589</b>

## 3. EXPENSES

	2020 \$'000	2019 \$'000
<b>(a) Depreciation and amortisation expenses</b>		
Depreciation and amortisation of non-current assets		
Plant and equipment	110	112
Intangible assets	294	244
<b>Total depreciation and amortisation</b>	404	356
<b>(b) Property occupancy expenses</b>		
Lease expenses	-	418
Interest expenses	32	-
Depreciation of right-of-use asset	403	-
<b>Total lease expenses</b>	435	418
<b>(c) Employee benefits expenses</b>		
Wages and salaries including on-costs	5,373	5,195
Workers' compensation costs	21	11
Superannuation costs	388	373
Staff training and recruitment	50	263
	5,832	5,842
<b>(d) Strategic advertising</b> - costs incurred for the strategic investment in the advertising manifesto on behalf of members and affiliates.		
Advertising levies received	1,001	1,031
Advertising expenditure	(1,001)	(1,043)
<b>Net strategic advertising</b>	-	(12)

## 4. AUDITOR'S REMUNERATION

Amount received, or due and receivable, by LNP Audit & Assurance (2019: Ernst & Young) for:	2020 \$'000	2019 \$'000
An audit of the financial report of the Association	34	53
Other services - taxation services	-	15
<b>Total auditor's remuneration</b>	<b>34</b>	<b>68</b>

## 5. INCOME TAX

	2020 \$'000	2019 \$'000
Income tax expenses consist of:		
Current income tax	-	-
Adjustment for current tax of prior year	-	(11)
	-	(11)

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:

<b>Accounting surplus before tax from ordinary activities</b>	241	270
At statutory income tax rate of 27.5%	67	74
Net income derived from members not assessable	(276)	(37)
Income not allowable for income tax purposes	(21)	
Expenditure not allowable for income tax purposes	11	1
Temporary differences not recognised	(180)	(151)
Taxable loss not recognised	399	113
Over provision in prior years	-	(11)
<b>Income tax (benefit)/expense attributable to operating surplus</b>	<b>-</b>	<b>(11)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### **Unrecognised deferred tax balances**

At 30 June 2020, deferred tax assets have not been recognised on deductible timing differences and tax losses totalling \$104,000 (2019: \$530,000) 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(d).

## 6. TRADE AND OTHER RECEIVABLES

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade debtors (i)	1,503	2,547
Allowance for expected credit loss	(7)	(7)
	1,496	2,540
Accrued interest income (ii)	92	222
Other receivables (iii)	146	-
<b>Total trade and other receivables</b>	<b>1,734</b>	<b>2,762</b>

- i. Trade debtors are non-interest bearing and generally are on 30-day terms.
- ii. Represents accrued interest on term deposits, which is payable on maturity. These do not contain impaired assets and are not past due.
- iii. These relate to Jobkeeper and Cashflow Boost grants receivable from the Government.

## 7. INVESTMENTS

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Term deposits held at amortised cost (i)	8,632	9,828
Financial assets at fair value through profit and loss (ii)	3,154	3,321
<b>Total investments</b>	<b>11,786</b>	<b>13,149</b>

- i. Relates to fixed rate term deposits with original maturity between 4-12 months that have been granted for security deposits of the Associations' leased premises for the amount of \$128,000 and the set-up of a corporate credit card facility with National Australia Bank for the amount of \$200,000.
- ii. Comprises investments in a portfolio of managed funds.

## 8. OTHER ASSETS

	2020 \$'000	2019 \$'000
<b>Current</b>		
Prepaid conference expenditure	51	622
Prepaid chapter expenditure	1	32
Prepaid capital expenditure	-	33
Other prepayments	361	243
Income tax refundable	3	20
Lease incentive asset - current	-	108
<b>Total other current assets</b>	416	1,058
<b>Non-Current</b>		
Lease incentive asset - non-current	-	135
<b>Total other non-current assets</b>	-	135
<b>Total other assets</b>	416	1,193

## 9. RIGHT-OF-USE ASSETS

	2020 \$'000	2019 \$'000
Right-of-use asset recognised at 1 July 2019	901	-
Accumulated depreciation	(403)	-
<b>Right-of-use asset</b>	498	-

## 10. PLANT AND EQUIPMENT

	Computer equipment \$'000	Furniture and Fittings \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Total \$'000
<b>Cost</b>					
Balance at 1 July 2018	79	51	51	353	534
Additions	2	-	-	-	2
Disposals	-	-	-	(5)	(5)
<b>Balance as at 30 June 2019</b>	<b>81</b>	<b>51</b>	<b>51</b>	<b>348</b>	<b>531</b>
Additions	6	-	-	-	6
Disposals	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>87</b>	<b>51</b>	<b>51</b>	<b>348</b>	<b>537</b>

### Accumulated depreciation and impairment

Balance at 1 July 2018	(62)	(26)	(45)	(42)	(175)
Depreciation	(8)	(7)	(2)	(95)	(112)
Disposals	-	-	-	5	5
<b>Balance as at 30 June 2019</b>	<b>(70)</b>	<b>(33)</b>	<b>(47)</b>	<b>(132)</b>	<b>(282)</b>
Depreciation	(8)	(6)	(1)	(95)	(110)
Disposals	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>(78)</b>	<b>(39)</b>	<b>(48)</b>	<b>(227)</b>	<b>(392)</b>

### Net book value

As at 30 June 2019	11	18	4	216	249
<b>As at 30 June 2020</b>	<b>9</b>	<b>12</b>	<b>3</b>	<b>121</b>	<b>145</b>

## 11. INTANGIBLE ASSETS

<b>Cost</b>	<b>Website Development \$'000</b>	<b>Computer Software \$'000</b>	<b>Total \$'000</b>
Balance at July 2018	785	591	1,376
Additions	246	41	287
Disposals	-	-	-
<b>Balance at 30 June 2019</b>	<b>1,031</b>	<b>632</b>	<b>1,663</b>
Additions	137	54	191
Disposals	-	-	-
<b>Balance at 30 June 2020</b>	<b>1,168</b>	<b>686</b>	<b>1,854</b>

**Accumulated amortisation and impairment**

Balance at 30 June 2018	(354)	(361)	(715)
Amortisation	(184)	(60)	(244)
Disposals	-	-	-
<b>Balance at 30 June 2019</b>	<b>(538)</b>	<b>(421)</b>	<b>(959)</b>
Amortisation	(229)	(65)	(294)
Disposals	-	-	-
<b>Balance at 30 June 2020</b>	<b>(767)</b>	<b>(486)</b>	<b>(1,253)</b>

**Net book value**

As at 30 June 2019	493	211	704
<b>As at 30 June 2020</b>	<b>401</b>	<b>200</b>	<b>601</b>

## 12. TRADE AND OTHER PAYABLES

	2020 \$'000	2019 \$'000
Trade creditors and accruals (i)	1,639	2,550
GST payable	485	581
	<b>2,124</b>	<b>3,131</b>

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

## 13. PROVISIONS

	Restoration of leased properties \$'000	Annual leave \$'000	Long service leave \$'000	Total \$'000
Balance at 1 July 2019	139	301	247	687
Arising during the year	-	518	33	551
Utilised	-	(536)	(75)	(611)
Unutilised amount reversed	-	-	(15)	(15)
<b>Balance as at 30 June 2020</b>	<b>139</b>	<b>283</b>	<b>190</b>	<b>612</b>
Current 2020	-	283	127	410
Non-current 2020	139	-	63	202
	<b>139</b>	<b>283</b>	<b>190</b>	<b>612</b>
Current 2019	-	301	99	400
Non-current 2019	139	-	148	287
	<b>139</b>	<b>301</b>	<b>247</b>	<b>687</b>

## 14. DEFERRED INCOME

<b>Current</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Deferred income		
Conference income	53	1,124
Education fees	122	174
Membership subscriptions	5,302	6,206
Marketing levies	574	844
Chapter income	39	4
Sponsorship	200	50
Continuing education	30	-
<b>Total deferred income</b>	<b>6,320</b>	<b>8,402</b>

## 15. LEASING LIABILITIES AND COMMITMENTS

### (a) Lease liability

	<b>2020 \$'000</b>
Lease liability recognised at 1 July 2019	901
Payments made during the year	(390)
<b>Net carrying value</b>	<b>511</b>

As at 30 June 2020, of the \$511,000 of lease liabilities, \$404,000 is deemed to be current and \$107,000 non-current.

**(b) Lease commitments**

	2020 \$'000	2019 \$'000
No later than one year	-	422
Later than one year but not later than five years	-	547
<b>Aggregated lease expenditure contracted for at balance date</b>	<b>-</b>	<b>969</b>

Lease commitments as at 30 June 2019 are based on a predecessor lease standards, AASB 117, as described in Note 1(l).

**(c) Deferred lease incentive**

	2020 \$'000	2019 \$'000
Current	-	145
Non-current	-	237
<b>Total deferred lease incentive</b>	<b>-</b>	<b>382</b>

**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 (2019: nil).

## 17. CASH AND CASH EQUIVALENTS

### (a) Reconciliation to Statement of Cash Flows

Cash and cash equivalents comprise the following at 30 June:

	2020 \$'000	2019 \$'000
Cash at bank and on hand	5,853	5,613
Cash as part of investment portfolio	14	32
	<b>5,867</b>	<b>5,645</b>

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

	2020 \$'000	2019 \$'000
Operating profit after income tax	241	281
<b>Non-cash items</b>		
Depreciation and amortisation	807	356
Allowance for expected credit losses	-	3
Amortisation of deferred lease incentive	-	(31)
Change in fair value of financial assets	204	(136)
Distribution income reinvested	-	(232)
<b>Change in operating assets and liabilities</b>		
Increase in trade and other receivables	1,028	(111)
Increase in other assets	534	(95)
Increase in trade and other payables	(1,007)	182
Increase in current provisions	10	2
Decrease in current tax liabilities	-	(35)
Decrease in other current liabilities	(2,082)	(600)
(Decrease) / increase in non-current provisions	(85)	41
<b>Net cash flows used in operating activities</b>	<b>(350)</b>	<b>(375)</b>

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

## 18. RELATED PARTY DISCLOSURES

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.

## 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Short-term	304	325	1,593	1,591
Post-employment	29	31	129	118
<b>Total</b>	<b>333</b>	<b>356</b>	<b>1,722</b>	<b>1,709</b>

### ***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 \$485,000 (2019: \$502,000).

### 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.

## 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:

	2020 \$'000	2019 \$'000
<b>Financial assets</b>		
Cash and cash equivalents (Note 17(a))	5,867	5,645
Term deposits (Note 7)	8,632	9,828
	<b>14,449</b>	<b>15,473</b>

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)	
	2020 \$'000	2019 \$'000
<b>Judgements of reasonably possible movements:</b>		
+1% (100 basis points)	59	56
+0.5% (50 basis points)	29	28
-0.5% (50 basis points)	(29)	(28)
-1% (100 basis points)	(59)	(56)

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

### **Price Risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from Interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Association's exposure to price risk is limited to its financial assets within investments which are carried at fair value through profit or loss amounting to \$3,154,000 (2019: \$3,321,000) per Note 7.

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

	<b>Post-tax Profit - Higher/(Lower)</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Judgements of reasonably possible movements:</b>		
+10% increase	315	332
-10% decrease	(315)	(332)

### **Credit Risk**

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

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

### **Liquidity Risk**

The Association manages 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.

## NOTES TO THE FINANCIAL STATEMENTS

	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	Total \$'000
<b>2020</b>				
Trade and other payables	-	2,124	-	2,124
<b>Total</b>	<b>-</b>	<b>2,124</b>	<b>-</b>	<b>2,124</b>
<b>2019</b>				
Trade and other payables	-	3,131	-	3,131
<b>Total</b>	<b>-</b>	<b>3,131</b>	<b>-</b>	<b>3,131</b>

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

Cash balance of \$5,867,000 (Note 17(a)) is available to pay the short-term financial liabilities in relation to trade and other payables due within 3 months.

### ***Fair Value of Financial Assets and Liabilities***

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

- 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

## NOTES TO THE FINANCIAL STATEMENTS

value due to the short-term maturities of these instruments.

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
<b>As at 30 June 2020</b>				
<b>Financial assets</b> (note 7)				
Financial assets at fair value through profit and loss				
- Unlisted registered managed funds	-	3,154	-	3,154
<b>As at 30 June 2019</b>				
<b>Financial assets</b> (note 7)				
Financial assets at fair value through profit and loss				
- Unlisted registered managed funds	-	3,321	-	3,321

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

Restrictions relating to the COVID-19 pandemic continue to have a material impact in the operation of the Association including staff working from home, replacement of in person Congress with a virtual event and deferral and cancellation of in person events. As of the date of this report, the directors do not believe there are any impacts in the amounts recognised in the statement of financial position as at 30 June 2020.

There have been no other material impacts on the operations or financial performance of the Association from these restrictions as at the date of this report except as mentioned above.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

### DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2020

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 2020 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

Sydney  
24 September 2020

## LNP Audit + Assurance

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INDEPENDENT AUDIT 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 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Association.

In our opinion:

The financial report of Financial Planning Association of Australia Limited has been prepared in accordance with the *Corporations Act 2001*, including:

1. Giving a true and fair view of the Financial Planning Association of Australia Limited's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
2. complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including Independence Standards)(the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but, does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### **Directors' Responsibilities**

The Directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but, is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

## LNP Audit + Assurance

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

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

We are also required to provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Robert Nielson.

LNP Audit and Assurance Pty Ltd



Robert Nielson  
Director  
Sydney

24 September 2020



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

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