



ANNUAL
REPORT
2020-2021



On the 9 December 2020 the Government announced that FASEA's functions would be transferred to the Treasurer and ASIC and FASEA would be wound up.

Legislation to enact this was contained in the Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 (the Bill).

At the time the FASEA Annual Report for 2020- 2021 (including financial statements) was signed, the Bill had passed through the House of Representatives and had received bipartisan support. On this basis the FASEA Annual Report for 2020-2021 was prepared on the assumption that either the Bill would pass through the Senate in the second half of the year or that the Government would give effect to its announcement of 9 December 2020 by other means.

FINANCIAL
ADVISER
STANDARDS AND
ETHICS
AUTHORITY
LIMITED

ABN 48 618 495 828

Contents

From the Chair and the CEO.....	4
Our Purpose.....	7
Standards Development Program.....	8
Management and Accountability.....	11
Company Structure	11
Organisational Structure	11
Audit and Risk Committee (ARMC)	12
Functions Review Committee (FRC).....	12
External Audit.....	12
Funding.....	12
Directors' Report.....	14
Our Board	19
Senior Management.....	21
Auditors Independence Declaration	22
Independent Auditors Report	23
Directors' Declaration.....	26
Financial Report.....	27

From the Chair and the CEO

We are pleased to present the fourth and final annual report of the Financial Adviser Standards and Ethics Authority (FASEA) to our Minister, Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women's Economic Security, Senator the Honourable Jane Hume, the representative of our member, the Commonwealth of Australia.

During the 2020/2021 year, FASEA continued to build on the work undertaken in previous years in addressing its core purpose of implementing the Commonwealth's Corporations Amendment (Professional Standards of Financial Advisers) Act 2017. This Act amended the Corporations Law with the intent of raising professional and education standards for financial advisers. In doing so, the parliament intended that the legislation would lead to a rebuilding of trust and confidence in the sector and the meeting of consumers' need for quality advice delivered by a professional, trusted cohort.

FASEA has made excellent progress in discharging its functions set by parliament in Section 921U of the Corporations Act to assist in advancing the professionalism of the financial advice sector and creating better outcomes for consumers, while at times weathering resistance from within the financial advice industry.

Pleasingly, at the end of June 2021, 14,850 advisers, (representing close to 70% of current advisers on the Financial Advisers Register (FAR)), have passed the relevant providers exam.

Working with the exam administrator (ACER), FASEA was able to react proactively and in a short space of time to challenges presented by COVID-19 lockdowns through an expansion of the remote online offering of the exam as an alternative to physical sittings. This enabled FASEA to offer existing and new relevant providers extensive opportunity to prepare and sit within the statutory transition period, with 12 sittings offered since the exam was introduced in June 2019. To date over 4,000 advisers have sat the exam remotely and analysis of results indicates the performance of advisers taking the exam remotely is consistent with those advisers in physical locations.

The exam is an achievable exam for competent relevant providers regardless of their specialization. The overall pass rate of 89% is a credit to the industry and demonstrates that those who have passed have the skill to apply their knowledge of advice construction, ethics, and legal requirements for financial advice to the practical scenarios tested in the exam, providing reassurance to consumers.

During 2020/2021, FASEA introduced some additional support mechanisms for financial advisers sitting the exam including enhanced feedback, pre and post exam webinars, identification of areas of underperformance and the creation of a listing showing those financial advisers who have passed the exam. These enhancements are all aimed at providing advisers with as much support as possible particularly for those who find exam settings challenging and to enable advisers to demonstrate to their clients that they have the required competencies to provide financial advice.

It has also been pleasing to note, through our annual return process with higher education providers, that in 2020 there were over 33,000 enrolments in units of studies in FASEA approved degrees, an increase from 12,000 units in 2019. This demonstrates that advisers have embraced the education requirements and are undertaking approved study to uplift their education standards in line with the vision of Parliament's Corporations Law amendments. In addition to those existing advisers undertaking study there have been over 450 new entrants who have commenced their Professional Year,

FASEA continues to work with key stakeholders in relation to the Code of Ethics (COE), through both consultation on COE Guidance (late 2020) and current targeted consultation in relation to Standard 3 of the COE. The Board understands the challenges faced by many in implementing a COE, particularly in an industry where none previously existed and will continue to consult through to its wind up with key stakeholders to ensure there is clarity and understanding and that the COE can be effectively implemented.

Operationally, FASEA maintains a small, dedicated team of 10 with technical and management expertise who have managed a significant and complex workload within tight legislative timeframes. Work has included the development and maintenance of standards, assessment and accreditation of higher education degrees and courses and overseeing the running of the exam. The team has, continued to assist advisers understand their education, training, and ethical requirements with over 570 foreign qualifications and 370 domestic degrees assessed and over 10,000 queries responded to.

We thank this dedicated and expert FASEA staff, whose substantial efforts have produced a significant volume of high-quality work which has been essential to the delivery of FASEA's functions.

We would particularly like to highlight the work and commitment of FASEA's Directors past and present. Each Director brought with them a unique skill set which has ensured that the development of education, training and ethical standards was considered and balanced. The diversity of our Board has enabled it to consider issues from educational, ethical, consumer and industry perspective and significant time and work commitments have been contributed by directors to enable the delivery of this intense and urgent program of standards. Their contribution has been invaluable, and we thank them all for their dedication to the important work of FASEA.

Rebuilding trust and confidence is an important task for the sector. There are positive signs from the financial adviser community that this is being embraced. This will enhance financial advice offerings to consumers and the economy at large. The next six months will see FASEA transfer its functions to the Minister and ASIC with a focus on ensuring a smooth transition so that the framework implemented by FASEA may continue to evolve.



Catherine Walter AM,
Chair



Stephen Glenfield,
Chief Executive Officer

Our Purpose

The Financial Adviser Standards and Ethics Authority (FASEA) is a Commonwealth entity that was established in April 2017 to set standards for the ethical conduct, educational qualifications, and ongoing training of licensed financial advisers in Australia. FASEA's powers and responsibilities are set out under the *Corporations Act 2001* (the Act).

Under the Act, FASEA is responsible for:

- Setting a Code of Ethics that all advisers must comply with in providing advice to consumers about financial products or services;
- Approving university Bachelor or higher-level degrees or equivalent qualifications to ensure all advisers meet minimum knowledge and training requirements set by FASEA to advise consumers on financial products and services;
- Approving foreign qualifications to ensure advisers qualified, or who trained overseas, and who provide advice to consumers in Australia, meet FASEA standards;
- Approving an exam to ensure all advisers meet subject matter knowledge and skills requirements set by FASEA;
- Selecting an appropriate common term for provisional relevant providers who are undertaking at least one year of work and training;
- Setting standards for the future education and training (continuous professional development (CPD)) requirements that advisers must complete each year so their knowledge remains current, and they can retain their authorisation to advise consumers about financial products and services; and
- Determining the requirements for the professional year.

Standards Development Program

Consistent with FASEA's planned program of work, our principal achievements included the following:

a) Implementation of Standards

Developed, consulted, and implemented the seven standards as required by S921U of the Corporations Act.

1. Approve bachelor or higher degrees, or equivalent qualifications, for the purposes of paragraph 921B(2)(a).

- Accredited a wide range of Higher Education Provider (HEP) degrees and courses that meet the FASEA curriculum standard including 78 historical courses, 67 current Bachelor or higher degrees and 54 bridging courses.
- Recognised Prior Learning (RPL) for existing advisers by approving education undertaken to attain a professional designation for 8 professional associations.
- Commenced program of reaccreditation of approved degrees and continued to approve new degrees at both postgraduate and undergraduate levels.
- Approved 27 HEP's based in all states and territories across Australia exception being Northern Territory.
- Undertook joint accreditations with TEQSA for non-self-accrediting HEP's.

Annual Returns for 2020 indicated over 33,000 enrolments in award units and bridging courses by existing and new advisers.

2. Approve and administer an exam for the purposes of subsection 921B(3).

- Developed and delivered an exam for relevant providers that assessed required competencies across the following areas:
 - Financial Advice Regulatory and Legal requirements (including Corporations Act chapter 7, AML, Privacy and Tax Agents Services Act (TASA) 2009
 - Financial Advice Construction – suitability of advice aligned to different consumer groups, incorporating consumer behaviour and decision making
 - Applied ethical and professional reasoning and communication – incorporating FASEA Code of Ethics
- Over 850 individual exam sittings across 12 exams in both regional and metropolitan locations, including 4,000 advisers who have sat the exam remotely.
- 16,772 advisers have sat the exam with 14,854 passing, representing 70% of current advisers on the Financial Advisers Register (FAR).

- An overall pass rate of 9 in 10 advisers passing regardless of number of sittings.
- Delivered enhanced Exam feedback for advisers who were unsuccessful, highlighting areas where performance was not at expected competencies.
- Conducted pre and post Exam webinars to support existing advisers in preparing for their exam sitting and understanding the underperforming areas. With 5,000 participants attending the sessions.

3. Set requirements for work and training for the purposes of subsection 921B(4).

- Designed, consulted, and developed the Professional Year (PY) Standard including supporting tools and templates.
- Registered over 400 new entrants to financial advice.
- Developed a PY workshop for PY candidates, their supervisors, and licensees to better understand the requirements of the PY standard.

4. Set requirements for continuing professional development (CPD) for the purposes of subsection 921B(5) in relation to the CPD year of a financial services licensee, the period mentioned in subsection 1546E(5), or any other period determined by the standards body.

- Designed, consulted, and developed the CPD Standard including supporting tools and templates.
- Provided relief for advisers in meeting CPD requirements emerging from COVID-19 challenges.

5. Specify a word or expression to refer to a provisional relevant provider.

- Established the appropriate term for relevant providers undertaking their professional year.

6. Make a Code of Ethics for the purposes of section 921E.

- Designed, consulted, and developed the Code of Ethics Standard including supporting guides.
- Received and considered 55 submissions in relation to the Code of Ethics including the draft legislative instrument.
- Held extensive workshops and consultation forums between March and December 2019.
- Provided updated guidance in relation to the COE in 2020 with targeted consultation on standard 3 of the Code in progress.

7. Approve or refuse to approve foreign qualifications when an application is made under subsection 921V (1) for approval of a foreign qualification.

- Designed, consulted, and developed the foreign qualification Standard including supporting tools and templates.
- Provided assessment services for over 570 foreign qualifications for equivalence with a FASEA approved degree.

b) Operations

- Development and maintenance of the automated Education Pathways tool with over 13,600 uses of the tool.
- Assisted over 370 advisers to understand their education requirements by reviewing their previously completed education against the education pathways.
- Enhanced the enquiries function on our website with over 10,000 enquires responded to.
- Attendance and presentation at numerous industry forums to assist with understanding and implementation of the standards
- With FASEA's proposed wind up on the 31 December 2021 the focus for FY22 will be to ensure the continued implementation of the education and ethical standards and the smooth transition to ASIC and the Minister of FASEA's functions.

Management and Accountability

Company Structure

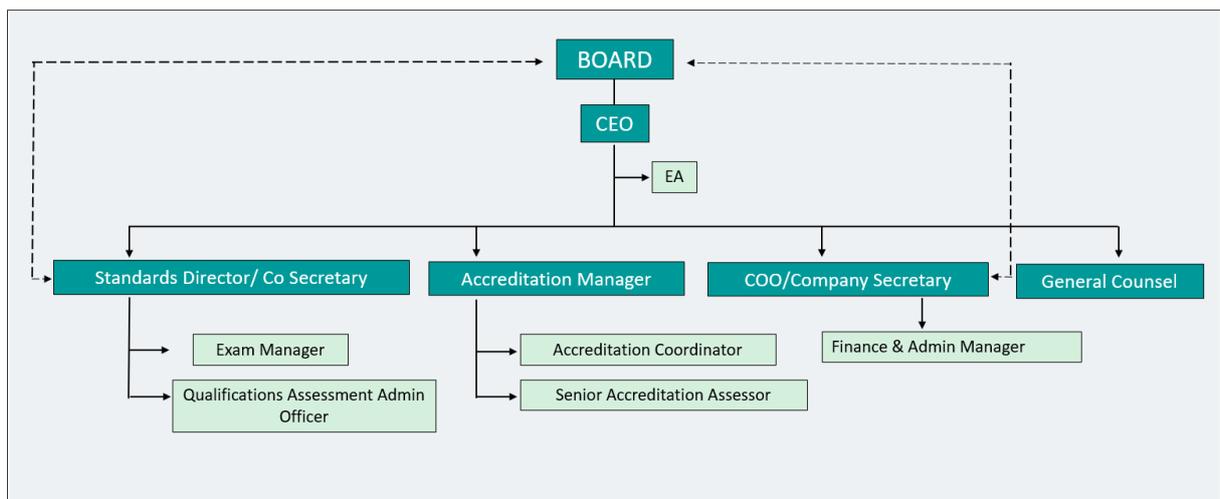
FASEA is a public company limited by guarantee. It was incorporated in the Australian Capital Territory in 2017. The sole member is the Commonwealth of Australia, represented by the Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women's Economic Security. Senator the Honourable Jane Hume.

FASEA is overseen by a Board of Directors which are appointed by the Minister. The Board is responsible to the Minister for the governance of FASEA. Its directors do not have any executive roles and are not responsible for the day-to-day operation and function of FASEA.

In accordance with the FASEA Constitution, the Board submits a Business Plan, Budget, and Annual Report to the Minister each financial year.

Organisational Structure

The CEO leads an executive team with expertise in standards development, finance, operations, consultation, and education accreditation and assessment.



FASEA has 10 (9 fulltime, 1 part time) employees, based in Australia with a 50%/50% gender split between male and female.

There are two Board sub-committees. The responsibilities of each is set out below.

Audit and Risk Committee (ARMC)

This Committee has the following responsibilities:

- Providing independent assurance in relation to FASEA's financial reporting, risk oversight and management, systems of internal control, compliance with relevant laws and policies and compliance with the PGPA Act performance reporting framework;
- Providing advice and making recommendations to the Board in respect of these matters;
- Reporting financial and regulatory information;
- Monitoring the internal control system;
- Monitoring the risk management system;
- Monitoring of outsourced providers; and
- Monitoring compliance with applicable laws, regulations, standards, and best practice guidelines.

Functions Review Committee (FRC)

This Committee has the following responsibilities:

- Reviewing the required standards (and related documents);
- Providing overall direction for the standards project, including setting, and agreeing to objectives, approaches, and outcomes;
- Reviewing the existing standards (and related documents);
- Preparing and designing consultation processes including outcomes of consultations on particular standards;
- Providing assistance and advice to the relevant executives;
- Identifying issues and risks that impact the standards project and communicating these to the FASEA staff and the Board;
- Communicating critical decisions, documents, and deliverables from the standards project to the FASEA staff and the Board; and
- Working towards resolving issues and where these cannot be resolved, recommending possible solutions to the Board.

External Audit

The financial statements of FASEA are audited annually in accordance with FASEA's Constitution and the Corporations Act. The Australian National Audit Office (ANAO) is the external auditor for FASEA. Representatives of the external auditor are invited to attend meetings of the ARMC.

Funding

FASEA received industry funding of \$3.9 million annually under a contract which expired on 30 June 2021. Funding was intentionally short-term to cover the establishment of FASEA and its initial period of operation to enable it to fulfil its legislative timelines.

As a result of The Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 (expected to be passed by Parliament in late 2021), FASEA will transfer its functions to ASIC and Treasury and wind up on 31 December 2021. With the expiration of the funding agreement, \$2.5m has been allocated in the budget to Treasury to fund FASEA operations between 1 July 2021 to 31 December 2021. The funding will be provided in quarterly instalments.

Directors' Report

The Directors submit the FASEA Directors' report for the financial year ended 30 June 2021.

Directors

Catherine Walter AM (Chair)*

Mark Brimble

Carolyn Bond AO

Deborah Kent

Simon Longstaff AO

Elissa Freeman

Louise Lakomy

Will Hamilton

*Re-appointed on 11 April 2021 for a 3-year term

Responsible Minister

The Minister responsible for FASEA is the Minister for Superannuation, Financial Services and the Digital Economy and the Minister for Women's Economic Security, Senator the Honourable Jane Hume.

Company Secretary

Kathryn Kerr and Amelia Constantinidis each hold the position of Company Secretary.

Membership

There is one Member, the Commonwealth of Australia as represented by the Minister for Superannuation, Financial Services and the Digital Economy and the Minister for Women's Economic Security, Senator the Honourable Jane Hume. On a winding up the Member is required to contribute not more than \$10.00.

Principal Business

The principal business of FASEA during the financial year was to be the standards body under the Corporations Act 2001 and to set the education, training, and ethical standards of financial advisers in Australia.

On the 9 of December 2020, it was announced that FASEA will be wound up and its standard-making functions moved to be the responsibility of the Treasurer, supported by Treasury, with ASIC taking over responsibility for administration of the relevant providers exam.

On 24 June 2021 the Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 was introduced into parliament, this Bill is expected to be passed by Parliament in late 2021. The Bill details that FASEA's standard setting functions would effectively transfer to the Treasurer (supported by Treasury) by 31 December 2021. As a result, FASEA activities during the year have expanded to include transitioning of key functions.

FASEA's Objectives

FASEA's paramount aim or objective is to improve consumer trust and confidence by raising the ethical, professional, and educational standards of financial advisers. To give effect to this, FASEA has set itself several short and longer-term objectives and the strategies by which it has met or proposes to meet these objectives.

Principal Activities 2020/21

Consistent with FASEA's 2020-21 business plan, our principal activities for the period involved the following:

- Consulting on the Code of Ethics Guidance;
- Providing guidance to new entrants and existing advisers about the pathways to achieving the required qualifications, training, and experience to meet FASEA standards, including what meets the equivalence test, whether any additional bridging course is required and what name they can use to describe themselves while qualifying as advisers;
- Accrediting educational programs and courses that will meet FASEA's standards;
- Approving exams to ensure advisers meet knowledge and skills requirements and assessment under FASEA's standards;
- Preparing and consulting with key stakeholders in roundtables or other targeted consultation about drafts of legislative instruments embodying the Code and standards to refine these as appropriate;
- Finalising legislative instruments embodying the Code and standards for parliamentary consideration;
- Periodically consulting with key stakeholders and reviewing the Code and standards to assess their efficacy; and
- Working with ASIC and Treasury to transition FASEA's standard-making functions as a result of The Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 (expected to be passed by Parliament in late 2021), that provides for the transfer of FASEA standards making functions effective 31 December 2021.

FASEA has successfully achieved these objectives in the 2020/21 financial year.

FASEA's Objectives and Strategies in FY22 until it is wound up on 31 December 2021 is to:

- Maintain regular communication with stakeholders around FASEA standards, including key transition dates relating to those standards and Corporations Law requirements (including exam timeframes, code of ethics compliance and education requirements);
- Undertake continued consultation with key stakeholders to assist in development of guidance notes in relation to FASEA standards;
- Prepare and release updated information to assist stakeholders' understanding of FASEA's standards; and
- Continue to review and accredit educational programs and courses that meet FASEA's standards.

- Assess applications from professional associations for recognition of prior learning credit approval for coursework undertaken to acquire a professional designation.
- Develop and administer exams as contemplated by Section 921U (2).
- Assess applications for approval of foreign qualifications received from existing and new advisers.
- Periodically review the Code and standards, including consultation with stakeholders to assess their efficacy.
- Work with Treasury and ASIC to complete transition of FASEA's standards setting functions to ASIC and Treasury by 31 December 2021

Operating Trading Result

The net deficit for the year ended 30 June 2021 was \$1,405,900. In the previous year ending 30 June 2020 there was a net surplus of \$262,355.

Under the terms of its Funding Agreement with contributors FASEA received annual funding of \$3,900,000 in quarterly instalments of \$975,000. FASEA utilised this funding to meet its obligations in implementing the Commonwealth's Corporations Amendment (Professional Standards of Financial Advisers) Act 2017.

The funding agreement expired on 30 June 2021, as a condition of the funding agreement any unspent or uncommitted contributors' funds at the expiry of the agreement will be returned to contributors in the proportionate share that they were paid. On the 25 August \$1,330,042 will be returned to contributors in accordance with the clause. The liability for repayment of unspent and uncommitted contributors' funds has been included as a liability in the 30 June 2021 financial statements.

FASEA operations are expected to wind down by 31 December 2021, With the expiration of the funding agreement, \$2.5m has been allocated in the budget to Treasury to fund FASEA operations between 1 July 2021 to 31 December 2021. The funding will be provided in quarterly instalments.

Dividends

FASEA is a not-for-profit company. No dividends have been paid or declared during the year and no dividends are proposed. FASEA is prohibited by its Constitution from making a distribution to its members.

Significant Changes in the State of Affairs

On the 9 December 2020, the Minister announced as part of the Hayne Royal Commission recommendation 2.10 to strengthen the financial advice sector that FASEA will be wound up and its standard-setting functions moved to be the responsibility of the Treasurer, supported by Treasury, with ASIC taking on responsibility for administration of the adviser exam.

On 24 June 2021 the Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 was introduced into Parliament, this Bill is expected to be passed by Parliament in late 2021. The Bill details that FASEA's standard setting functions would effectively transfer to the Treasurer (supported by Treasury) and ASIC by 31 December 2021.

After Balance Date Events

The Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 transferring FASEA (the company) standard setting functions to the Treasurer (supported by Treasury) and ASIC is expected to be passed by Parliament in late 2021 as a result, operations will cease on the 31 December 2021 and the company will be wound up.

Meetings of Directors

During the 2020 - 2021 financial year, 20 meetings (including sub-committees of directors) were held. Attendances by each Director were as follows:

	Board of Directors		ARMC		FRC	
	Eligible to attend	Attended	Member	Attended	Member	Attended
Catherine Walter	7	7	N	4	N	9
Carolyn Bond	7	7	Y	4	N	0
Mark Brimble	7	7	Y	4	Y	9
Deborah Kent	7	7	N	0	Y	9
Simon Longstaff	7	7	Y	4	Y	9
Louise Lakomy	7	7	Y	4	N	9
Elissa Freeman	7	7	N	0	Y	9
Will Hamilton	7	7	N	0	N	8

Directors' Benefits

The Directors are paid such remuneration and allowances as determined by the Remuneration Tribunal. Since incorporation, no director of the company has received or become entitled to receive any other benefit that is not in accordance with the Remuneration Tribunal determination.

Name	Fees	Superannuation	Total Remuneration
	\$	\$	\$
Bond, Carolyn	14,534	1,381	15,915
Freeman, Elissa	22,417	2,129	24,546
Longstaff, Simon	24,518	2,329	26,847
Hamilton, William Forester	25,744	2,446	28,190
Kent, Deborah	27,324	2,596	29,920
Lakomy, Louise Maree	28,372	2,695	31,067
Brimble, Mark	38,518	3,659	42,177
Walter, Catherine	60,362	5,735	66,097
Total	241,789	22,970	264,759

Name	Salary	Superannuation	Annual Leave	Redundancy	Total Remuneration
Stephen Glenfield	\$370,636	\$29,364	\$24,167	\$163,915	\$588,082
Kathryn Kerr	\$315,041	\$24,960	(\$1,501)	\$127,386	\$465,886
Total	\$685,677	\$54,324	\$22,666	\$291,301	\$1,053,968

Indemnities and Insurance Premiums

During the financial year, in accordance with the Corporations Act, FASEA entered a Directors and Officers insurance policy with an insurer, Comcover. The policy covers directors and executive officers against any claims or liabilities arising from claims against them in any third-party legal proceedings in respect of their conduct while acting in the capacity of director or executive of FASEA.

There are no claims of which FASEA is aware that are pending against any director or officer.

Environmental Issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

Ministerial Directions and Government Policy Orders

On 24 June 2021 the Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 was introduced into parliament, this Bill is expected to be passed by Parliament in late 2021. The Bill details that FASEA's standard setting functions would effectively transfer to the Treasurer (supported by Treasury) and ASIC by 31 December 2021.

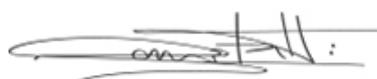
There were no other directions issued to the company by the Responsible Minister under the company's constitution or under any Act or instrument.

Signed in accordance with a resolution of the Board of Directors



Catherine Walter AM
Chair

23 August 2021



Simon Longstaff AO
Director

23 August 2021

Our Board

The Board of the Financial Adviser Standards and Ethics Authority Limited is appointed by The Minister responsible for FASEA is the Minister for Superannuation, Financial Services and the Digital Economy and the Minister for Women's Economic Security, Senator the Honourable Jane Hume.

Catherine Walter AM (Chair) FAICD, LLB(Hons), LLM MBA

Catherine is the Chairperson of FASEA. Currently Catherine is also a member of the Reserve Bank of Australia's Payments System Board, Chair of Melbourne Genomics Health Alliance, a Director of Australian Foundation Investment Company and Trustee of the Helen Macpherson Smith Trust.

She has previously been Managing Partner of the Melbourne office of Clayton Utz and Commissioner of the City of Melbourne, a member of the Financial Reporting Council and has served on the boards of ASX, National Australia Bank, Orica, and Victorian Funds Management Corporation.

Dr Mark Brimble PhD, B.Com (Hons)

Mark is the FASEA Director with experience in designing, or the requirements of, education courses or qualifications. Mark is a Professor (Finance) at Griffith University and is an Office for Learning and Teaching National Fellow and is the recipient of numerous teaching and learning grants, citations, and awards. Mark was awarded Australian Teaching and Learning Council Citations in 2011 and 2016, and an Australian Award for Teaching Excellence in 2016.

Dr Brimble is a Fellow of CPA, a Fellow of the FINSIA, a member of the Financial Planning Association of Australia and the Australian Institute of Company Directors. Mark has published research in various national and international journals and is the Co-Founding Editor of the Financial Planning Research Journal.

Carolyn Bond AO G.Dip Ed.Train

Carolyn is a Director with experience in representing consumers of financial services. Carolyn is a former Co-CEO of the Consumer Action Law Centre and former Chair of the Consumers' Federation of Australia. She is a Director of the Financial Counselling Foundation and currently manages a project contributing to industry policies which address the financial impacts of family violence.

Deborah Kent Dip FP, CFP, FCHFP, MAICD

Deborah is a Director with experience in carrying on a financial services business or providing a financial service. Deborah is the Managing Director and Founder of Integra Financial Services. She is a former President of the Association of Financial Advisers, Treasurer of the Association of Financial Advisers, NSW State Director of the Association of Financial Advisers and former President of Western Sydney Business Connection, and NSW State Director of the Authorised Representative Association.

Dr Simon Longstaff AO BEd, MPhil, PhD, FCPA, FRSN, FARPI

Simon is the Director with experience in the field of ethics. He is Executive Director of the Ethics Centre and is an Adjunct Professor at the AGSM, UNSW Business School. Simon holds independent advisory positions with a number of organisations. He read for his Master's Degree and Doctorate as a Member of Magdalene College, Cambridge and has a Bachelor's degree in Education from the University of Tasmania.

Elissa Freeman BA, GAICD

Elissa is a Director with experience representing consumers of financial services. Elissa previously led the financial services advocacy work of Australia's largest consumer organisation, CHOICE, and has wide-ranging experience in consumer rights and competition policy. She is currently a Director of the Australian Financial Complaints Authority and was previously a Director of the Financial Ombudsman Service and Chair of the Financial Rights Legal Centre.

Louise Lakomy MBA, GDip FP, GAICD, CFP

Louise is a Director with experience in carrying on a financial services business or providing a financial service. Currently Louise is a Director with Crystal Wealth Partners bringing over 20 years of experience and knowledge in all facets of financial planning to her role. Louise is a Certified Financial Planner and holds a Master of Business Administration, a Graduate Diploma in Financial Planning, and is a Graduate of the Australian Institute of Company Directors. Louise has served as a Board member for the Financial Planning Association of Australia (FPA), as a member on the FPA Education Council and has also been a Director of the Financial Ombudsman Service.

Will Hamilton BBus (Acc), Grad Dip Applied Finance, MBA (Melb) SF Fin, FAICD, FHKSI

Will is the Managing Partner of Hamilton Wealth Partners. Prior to this Will was the General Manager of Wealth Services at NAB. Will previously held the position of Head of Private Wealth Management at Goldman Sachs JBWere and prior to this was the Managing Director and Chief Executive Officer of Deutsche Securities Asia in Hong Kong. In addition to his qualifications, Will is a fellow of the Hong Kong Securities and Investment Institute, a Fellow of the AICD and a Senior Fellow of FINSIA.

Senior Management

Stephen Glenfield (Chief Executive Officer) BEc, CA

Stephen has worked in financial services regulation for over three decades, most recently as a general manager within the Australian Prudential Regulation Authority (APRA). As well as his managerial responsibilities, Stephen was Chair of the APRA's Superannuation Industry Group. He has also worked with the International Organisation of Pension Supervisors, the Victorian Financial Institutions Commission and KPMG.

Stephen holds a Bachelor of Economics from Monash University and is a member of the Chartered Accountants Australia and New Zealand.

Kathryn Kerr (Chief Operating Officer) B. Com, MBA, CA

Kathryn has over 30 years' experience in financial services across Australia and South East Asia, most recently as Head of Channel Optimisation at Suncorp. Kathryn's previous responsibilities include development and implementation of operating and financial processes and procedures for a risk advice start up. Kathryn was also on the Board of several CBA's offshore life insurance operations.

Kathryn's experience includes a broad range of finance, risk, and operational roles across professional and financial services organisations including EY, CBA, AMP, Patronus and Suncorp. Kathryn has a Bachelor of Commerce from UNSW; an MBA from AGSM and she is a member of the Chartered Accountants Australia and New Zealand.

Amelia Constantinidis (Standards Director and Company Secretary)

Amelia has worked in financial services for over two decades most recently in the financial advice industry for AMP and CBA. She led the first partnership between a Financial Advice Institution and a leading University developing unique programs for new Advisers entering the Financial Advice profession as well as establishing a Master's program for existing Advisers to lift their education standard.

Amelia has held senior program roles, driving complex business transformation and technology driven change to enhance business operations and productivity whilst improving the customer experience.

Amelia is a Founding Member and on the Advisory Board of the Financial Executive Women. Amelia was a member of the Financial Planning Education Council from 2013 - 2018 and a member of the AFA Professional Standards Working Group from 2016 - 2018.

Howard Cook (Accreditation Manager) BEd

Howard has worked in professional education since 1997 with Securities Institute Education, Chartered Secretaries Australia, and the Financial Planning Association. International experience includes working with ASEAN Banking regulators and the Securities Institute Thailand to provide training for regulators, intermediaries, and investors. He has also worked with Universities around Australia to accredit courses for financial planners with the Financial Planning Education Council.

Auditors Independence Declaration



Ms Catherine Walter AM
Chair
Financial Adviser Standards and Ethics Authority Limited
133 Castlereagh Street, Sydney, NSW 2000

**FINANCIAL ADVISER STANDARDS AND ETHICS AUTHORITY LIMITED
FINANCIAL REPORT 2020-21
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Financial Adviser Standards and Ethics Authority Limited for the period ended 30 June 2021, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'm Vial'.

Mark Vial
Acting Executive Director
Delegate of the Auditor-General
Canberra

23 August 2021

Independent Auditors Report



INDEPENDENT AUDITOR'S REPORT

To the members of Financial Adviser Standards and Ethics Authority Limited

Opinion

In my opinion, the financial report of Financial Adviser Standards and Ethics Authority Limited (the Company) for the year ended 30 June 2021 is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001 as they apply on a non-going concern basis described in Note 1.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2021 and for the year then ended:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) to the extent that they are not in conflict with the Auditor-General Act 1997. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphases of Matter - Basis of Accounting

I draw attention to Note 1 of the financial report, which describes the non-going concern basis of accounting due to the decision of Government to transfer responsibility for the Company's operations and wind it up over the course of the 2021-22 financial year. My opinion is not modified in respect of this matter.

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 2021, but does not include the financial report and my auditor's report thereon.

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

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

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

Directors' responsibility for the financial report

The directors of the Company 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 as they apply on a non-going concern basis described in Note 1 and for such internal control 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so. These matters are disclosed in Note 1 to the financial report.

Auditor's responsibilities for the audit of the financial report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Company'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 non-going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide the directors with a statement that I 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 my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Australian National Audit Office



Mark Vial
Acting Executive Director
Delegate of the Auditor-General
Canberra
23 August 2021

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38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Directors' Declaration

In the opinion of the Directors of Financial Adviser Standards and Ethics Authority Limited:

- a) The financial statements and notes, set out in the 2021 Annual Report are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the financial position of the Company as at 30 June 2021 and performance, as represented by the results and cash flows, for the year ended on that date;
 - ii. Complying with the Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Regulations 2001; and
 - iii. Have been prepared on a non-going concern basis as the company will be wound up on 31 December 2021; and

- b) There are reasonable grounds to believe that the Company will be able to pay its existing debts when they become due and payable taking into consideration FASEA proposed wind up on 31 December 2021.

Signed in accordance with a resolution of the Directors



Catherine Walter, AM
Chair
Financial Adviser Standards and Ethics Authority Limited Board

23 August 2021

Financial Report

Financial Adviser Standards and Ethics Authority Limited

Statement of Comprehensive Income for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Revenue from Contributors		3,900,000	3,900,000
Return of Contributors funds		(1,330,042)	-
Other income		40,609	239,233
Total Income	3	2,610,567	4,139,233
Expenses			
Board related expenses	4	249,983	409,970
Employee benefits expense	4	2,806,858	2,228,020
Occupancy expenses	4	351,553	346,599
Supplier expenses from ordinary activities	4	608,073	892,289
Total expenses		4,016,467	3,876,878
Surplus/(Deficit) from ordinary activities		(1,405,900)	262,355
Total Comprehensive Surplus/(Deficit)		(1,405,900)	262,355

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current Assets			
Cash and cash equivalents	8	2,470,440	2,338,220
GST receivable		22,784	27,387
Other Assets		37,419	44,912
Total Assets		2,530,643	2,410,519
Liabilities			
Current Liabilities			
Trade and other payables	9	468,512	886,427
Return of Contributors funds	3	1,330,042	-
Employee provisions	10	702,057	88,160
Total Liabilities		2,500,611	974,587
Net Assets		30,032	1,435,932
Equity			
Retained surplus		30,032	1,435,932
Total Equity		30,032	1,435,932

	2021 \$	2020 \$
Statement of changes in equity for the year ended 30 June 2021		
Retained Surplus Opening Balance	1,435,932	1,173,577
Total comprehensive surplus/ (deficit) for the period	(1,405,900)	262,355
Balance on 30 June 2021	30,032	1,435,932

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flow from Operating Activities			
Cash received			
Receipts from Contributors		3,188,601	3,847,501
Other income		37,891	225,597
Interest received		2,937	13,308
Total cash received		3,229,429	4,086,406
Cash paid			
Payments to suppliers		720,434	1,124,787
Payments to employees, contractors, and directors		2,376,775	2,706,784
Total cash paid		3,097,209	3,831,571
Net Cash Flow from Operating Activities	11	132,220	254,835
Cash and cash equivalents at start of the financial year		2,338,220	2,083,385
Cash and cash equivalents at end of the financial year		2,470,440	2,338,220

The statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the period ended 30 June 2021

Financial Adviser Standards and Ethics Authority Limited (the company) is a not-for-profit public company limited by guarantee, incorporated in Australia. The Company has one member – the Commonwealth of Australia, represented by The Minister for Superannuation, Financial Services and the Digital Economy and the Minister for Women’s Economic Security, Senator the Honourable Jane Hume.

The company was established in April 2017 to set standards for the ethical conduct, educational qualifications, and ongoing training of licensed financial advisers in Australia.

1. Basis of Preparation

The Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 is expected to be passed by Parliament in late 2021 and will effectively transfer FASEA standard setting functions to the Treasurer (supported by Treasury) and ASIC. As a result, the company’s operations will cease on the 31 December 2021 and the company will be wound up.

Accordingly, the financial statements are prepared on a non-going concern basis as it is expected that all operations will cease by 31 December 2021. The directors have applied the requirements of paragraph 25 of AASB 101 Presentation of Financial Statements which states that “When the financial report is not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern”.

Under the non-going concern basis of accounting, assets and liabilities are measured at fair value. As the wind up is still subject to member approval the anticipated legal and liquidation costs have not been accrued in the financial statements.

Under the non-going concern basis of accounting, all assets and liabilities are classified as current. In adopting the non-going concern basis of accounting, the directors have continued to apply the disclosure requirements of Australian Accounting Standards, to the extent they are relevant to the non-going concern basis, and have modified them where this is considered appropriate

The funding agreement that had provided FASEA with approximately \$15.6m of funding, paid in quarterly instalments commencing on 1 July 2017 expired on 30 June 2021. A key component of the funding agreement was that any unspent or uncommitted funds should be returned to contributors within 40 days of the expiration of the agreement. A total of \$1,330,042 will be returned to contributors in August 2021. The return of contributors’ funds has been recognised as a liability for the year ended 30 June 2021.

The calculation basis for the return of funds has been calculated in accordance with clause 2.2.2 and 2.2.3 of the funding agreement, which states that all unspent and uncommitted funds as at 30 June 2021 be returned to contributors.

Each contributor “will be entitled to the proportion of the repayment amount that reflects the Contributors total Contributions paid to the FASEA as a proportion of the total Funding paid to the FASEA.” The proportion that each contributor is entitled to has been independently audited.

With the expiration of the funding agreement, \$2.5m has been allocated in the budget to Treasury to fund FASEA operations between 1 July 2021 to 31 December 2021 when FASEA is wound up. The funding will be provided in quarterly instalments.

The principal accounting policies adopted are consistent with those of the previous financial year

a) Statement of Compliance

These financial statements have been prepared in accordance with the Corporations Act 2001 and with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations. The financial statements cover the reporting period 1 July 2020 to 30 June 2021.

b) Basis of preparation

These financial statements have been prepared on an accrual basis and in accordance with the historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

On 24th June 2021 the Financial Sector Reform (Hayne Royal Commission Response-Better Advice) Bill 2021 was introduced into parliament, this Bill is expected to be passed by Parliament in late 2021. The Bill details that FASEA’s functions would effectively transfer to the Treasurer (supported by Treasury) and ASIC by 31 December 2021. As a result, FASEA will cease operations on 31 December 2021 and the business will be wound up.

As a result, the financial statements have been prepared on a non-going concern basis of accounting. Under the non-going concern basis of accounting, assets and liabilities are measured at fair value. As the wind up is still subject to member approval the anticipated legal and liquidation costs have not been accrued in the financial statements.

Cash flow forecasting indicates that FASEA has sufficient resources to pay its debts as and when they become due and payable taking into consideration FASEA proposed wind up on 31 December 2021.

c) Significant accounting judgements, estimates, and assumptions

The preparation of the company’s financial statements requires the Board to make judgements, estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in

which the estimate is revised and the revision affects only that period.

The calculation basis for the return of contributors' funds has been detailed in note 1 above. The calculation basis for employee provisions is detailed in note 2.

Adoption of new Australian accounting standard requirements

New and revised accounting standards and interpretations that were issued prior to the signing of the financial report and were applicable to the current reporting period did not have a material financial impact and are not expected to have significant future financial impact on the company's financial report. No accounting standards have been adopted earlier than the application date as stated in the standard.

2. Summary of Significant Accounting Policies

2.1 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised on an accrual basis using the effective interest method.

Revenue from contributors is recognised evenly over the duration of the funding agreement and is recognised quarterly when invoices from contributors are due as this is the date that FASEA obtains control or the right to receive contributions in accordance with AASB 1058 Income of Not-for-Profit Entities.

The return of contributors' funds following the end of the funding agreement as at 30 June 2021 has been included as an offset to revenue in the 30 June 2021 financial statements.

Other income includes fees paid for assessment services and is recognised as received or receivable.

2.2 Employee Entitlements

(a) Provisions

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Salaries and wages and annual leave entitlements are expected to be settled within one period. Long service leave entitlements are not to be settled within one period, unless seven periods' service has been achieved. As a result of The Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 introduced to Parliament on the 24th June 2021 and expected to be passed by Parliament in late 2021, all roles within the Company will be redundant, accordingly a provision for staff redundancies of \$581,646 has been established, this represents the company's obligations to staff as at 30 June 2021.

(b) Wages and salaries

Liabilities for wages and salaries are recognised in respect of employees' services up to the reporting date. They are measured as the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(c) Superannuation

The company's staff are members of various defined contribution plans to which the company must contribute. The liability for superannuation recognised at 30 June represents outstanding contributions for the final payroll period of the financial year. Contributions are made to employee superannuation funds and are charged as expenses when incurred.

2.3 Cash

Includes cash on hand and on deposit with financial institutions and are stated at their nominal value.

2.4 Financial Assets

Loans and Receivables

The company classifies its financial assets at the time of initial recognition depending on the nature and purpose of the asset. All receivables are classified as trade and other receivables and are expected to be recovered within 12 months.

Impairment of financial assets

Trade receivables are recognised when the company becomes party to an agreement and has the right to receive cash. Trade receivables have 30-day terms (2020: 30 days) and are recognised at the nominal amount due less any impairment allowance. The collectability of debts is reviewed at the end of the reporting period and an impairment allowance is recognised.

2.5 Taxation

The company is exempt from all forms of taxation except fringe benefits tax (FBT), the goods and services tax (GST), and payroll tax.

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

- i) Where the amount of GST incurred is not recoverable from the ATO it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- ii) Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payable.

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

Payroll tax is paid based on the assessable rates and thresholds from each state jurisdiction.

2.6 Property, plant, and equipment

Purchases of property, plant and equipment are recognised at cost in the statement of financial position except for purchases costing less than \$5,000 which are expensed in the period of acquisition. Property, plant, and equipment are carried at cost less subsequent accumulated depreciation. At the end of the reporting period the company has no individual purchases above the capitalised threshold.

2.7 Leases

The company has adopted AASB 16. Under AASB 16 right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense is replaced with a depreciation charge for right-of-use assets. The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less. Lease payments on these assets are expensed to the statement of comprehensive income as incurred. The Company rents office premises that is on a month-to-month basis.

2.8 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote. As of 30 June 2021, there are no contingent asset or liabilities.

2.9 Events after balance date

The Financial Sector Reform (Hayne Royal Commission Response- Better Advice) Bill 2021 transferring FASEA functions to the Treasurer (supported by Treasury) is expected to be passed by Parliament in late 2021, as a result operation will cease on the 31 December 2021 and the company will be wound up.

With the expiration of the funding agreement, \$2.5m has been allocated in the budget to Treasury to fund FASEA operations between 1 July 2021 to 31 December 2021 when FASEA is wound up. The funding will be provided in quarterly instalments.

2.10 Member's Guarantee

FASEA is limited by guarantee.

	2021	2020
Note 3: Revenue and Other Income	\$	\$
Contributions from Funders	3,900,000	3,900,000
Return of Contributors funds	(1,330,042)	-
Degree Assessment Fees	37,672	90,340
Interest Income	2,937	13,308
Government Relief COVID-19	-	135,585
Total revenue from operations	2,610,567	4,139,233
 Note 4: Expenditure		
 Board related expenses		
Board & Committee Fees	226,284	330,601
Board & Committee Travel Expenses	729	48,917
Superannuation	22,970	30,452
Total Board related expenses	249,983	409,970
 Employee benefits and contractor expense		
Salaries & Wages	1,680,326	1,616,766
Redundancy Costs	581,646	-
Superannuation	140,755	145,415
Annual Leave	32,250	41,860
Consulting Staff	371,881	423,979
Total employee benefits	2,806,858	2,228,020
 Occupancy expenses		
Rent & Utilities	177,185	195,710
Insurance	7,509	8,491
Office Administration	166,859	142,398
Total occupancy expenses	351,553	346,599
 Supplier expenses from ordinary activities		
Stakeholder Communications	109,091	110,221
Staff Recruitment Fees	56,100	44,000
Bank Fees & Interest Charges	2,123	3,321
Legal & Accounting Fees	124,275	137,793
Travel and accommodation	3,084	59,858
Standard Maintenance	19,411	-
Standards Development & Implementation	293,989	537,096
Total supplier expenses	608,073	892,289
 Note 5: Remuneration of Auditors		
Audit of financial statements	33,000	35,000

No other services were provided by the Auditor-General during the reporting period.

	2021	2020
Note 6: Directors' Remuneration		
\$1 - \$10,000	0	2
\$10,000 - \$20,000	1	1
\$20,000 - \$30,000	4	1
\$30,000 - \$40,000	1	3
\$40,000 - \$50,000	1	1
\$60,000 - \$70,000	1	1
\$90,000 - \$100,000	0	1
Total	8	10

	2021	2020
	\$	\$
Total remuneration received	264,759	351,861

Superannuation contributions amounting to \$22,970 were paid on behalf of directors (2020: \$30,453) and are included in the total remuneration

Note 7: Key Management Remuneration

Short term benefits	708,343	365,297
Post-employment benefits (superannuation)	54,324	34,703
Termination benefits	291,301	-
Total remuneration	1,053,968	400,000

Key management personnel remuneration is the role of Chief Executive Officer, Chief Operating Officer, and the Directors (disclosed in note 6). Note the role of Chief Operating Officer was not included as key management personnel in the 30 June 2020 financial statements.

Short term benefits include the movement in provision of annual leave for the CEO and COO totaling \$22,666.

Note 8: Cash and cash equivalents

Cash at bank and on hand	2,470,440	2,338,220
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Note 9: Trade and other payables

Trade creditors	10,451	15,927
Accruals	378,070	143,900
Deferred income	-	711,398
PAYG payable	54,878	(5,024)
Payroll tax payable	15,810	7,298
Superannuation payable	9,303	12,928
	468,512	886,427

Payables are all current and settlement is usually made within 30 days

	2021	2020
Note 10: Employee Provisions	\$	\$
Employee provisions - current	120,411	79,344
Employee provisions - redundancy	581,646	-
Employee provisions - non-current	-	8,816
	702,057	88,160

Note 11: Cash Flow Statement Reconciliation

Operating profit/(loss)	(1,405,900)	262,355
(Increase)/decrease in other debtors and prepayments	12,097	89,586
Increase/(decrease) in provision for employee entitlements	613,896	41,859
Increase/(decrease) in trade creditor and accruals	1,623,526	(86,466)
Increase/(decrease) in revenue received in advance	(711,399)	(52,499)
Net cash provided/(used) by operating activities	132,220	254,835

Note 12: Related parties

The company is an Australian Government controlled entity. Related parties to the company are Directors, Key Management Personnel, the Minister, and other Australian Government entities.

No related party transactions outside of the compensation of Directors and Executive disclosed in Note 6 and 7 occurred in the period.



**Financial Adviser Standards
and Ethics Authority (FASEA)**

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