

FINSIA



# ANNUAL REPORT 2021

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## 01 INTRODUCTION

COVID CONTINUED TO HAVE A FUNDAMENTAL IMPACT ON THE AUSTRALIAN WAY OF LIFE DURING 2021 - FROM TRAVEL TO SUPPLY CHAIN CHALLENGES AND THE GREAT RESIGNATION.

FINSIA'S STRATEGY REMAINED FOCUSED ON SUPPORTING AMBITIOUS, PURPOSE-DRIVEN PROFESSIONALS AND ORGANISATIONS WHO ADVOCATE FOR RAISING STANDARDS ACROSS THE FINANCIAL SERVICES SECTOR.

## 02 FY21 PRESIDENT'S REPORT



WHILE FINSIA STILL FACES CHALLENGES, THE FOUNDATIONS HAVE BEEN LAID FOR CONTINUING GROWTH. THE PROFESSIONAL EDUCATION PROGRAM PROVIDES THE PLATFORM TO SUPPORT AND GROW FINSIA MEMBERSHIP SIGNIFICANTLY FOR THE FORESEEABLE FUTURE, AND TO EXPAND THE SUITE OF PROFESSIONAL EDUCATION OFFERINGS MORE BROADLY ACROSS THE FINANCIAL SERVICES SECTOR.

BEING A GRADUATE OR MEMBER OF FINSIA IS ONCE AGAIN SEEN FOR ITS TRUE HIGH VALUE AND THERE HAS BEEN A SUBSTANTIAL INCREASE IN MEMBER ENGAGEMENT.

**VICTORIA WEEKES**

Chartered Banker SF FIN BCOMM LLB FAICD

**PRESIDENT**

It is with considerable pride that I provide my last report as President, as I will retire from the Board at the next AGM after serving the maximum period as a director.

The last nine years have seen concerns about professionalism in financial services and the exposures of the Royal Commission. I am proud to have been part of FINSIA's drive for standards, professional education and professionalism in financial services and the reintroduction of professional education by FINSIA.

Over 10,000 people working within financial services have now enrolled in our professional education programs only introduced in 2018, with over 3,000 graduating. This includes over 100 Chartered Bankers, who provide exceptional leadership in the digital transformation that is underway, ensuring the highest standards of prudent, ethical service to our community and economy. We look forward to significant growth in membership to access continuous learning opportunities and develop professional networks as the ranks of program graduates swell. We will continue to expand our programs further, particularly in the

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A HIGHLIGHT OF THE YEAR WAS THE LAUNCH OF NEW ZEALAND BASED BANKING QUALIFICATIONS. WE WERE DELIGHTED TO WELCOME THE NEW ZEALAND DEPUTY PRIME MINISTER TO THE LAUNCH AND GRATIFIED FOR HIS SUPPORT OF OUR WORK.



securities and wealth segments. FINSIA has responded very well to a range of difficult challenges, including responding to falling trust in financial services, the Royal Commission, rapid digital transformation, increasing cybercrime, climate change risks and of course COVID-19.

2021 saw a continuation of the challenges of 2020 presented by COVID-19 and climate change but a continuation of FINSIA's focus on promoting and supporting an engaged purpose-driven professional community, who conduct themselves according to the highest ethical standards and advocate for professionalism across the community.

A highlight of the year was the launch of New Zealand based banking qualifications. We were delighted to welcome the New Zealand Deputy Prime Minister to the launch and gratified for his support of our work.

FINSIA continued its focus on industry-wide dialogue with key stakeholders, our members and practitioners for industry-wide professional standards for individual practitioners operating in the financial services sector. It was very pleasing to see the product of FINSIA's increasing engagement in policy work and in particular the Independent Review of the Banking Code of Practice 2021 emphatically adopt FINSIA's recommendation for industry-wide standards for competency and conduct of bank staff.

Over 2021 FINSIA continued its investment in digital strategy and educational

programs to support increasing educational content. The professional education program development and delivery commitments secured in 2021 provide the platform to support and grow FINSIA membership significantly across the foreseeable future, and to expand the suite of professional education offerings more broadly across the financial services sector. Although this led to an increase in expenses over the year it met the budget approved by the Board at the start of the year.

It is important to note that FINSIA still faces sustainability challenges, as we have not yet achieved wide-scale industry adoption of the professional education programs with the take-up of the programs in 2021 being slower than we had hoped. The FINSIA Board remains firmly focused on achieving wide-scale industry support for our offering and developing further programs that provide a broader spectrum of programs across other parts of the financial services sector.

After the reporting period covered by this report Chris Whitehead announced he would be stepping down as Managing Director and CEO in April 2022 and the Board announced the appointment of Mr Yasser El-Ansary to replace him.

Chris made a huge impact on professionalisation of financial services by successfully introducing new professional education options in banking and securities through international partnerships, strengthening continuing

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professional development and leading a focus on professional standards. Being a graduate or member of FINSIA is once again seen for its true high value and there has been a substantial increase in member engagement. FINSIA launched Australia's first localised and internationally recognised professional banking qualification, Professional Banking Fundamentals as the first stage of the Chartered Banker pathway. Over the last three years FINSIA has expanded its curriculum to include professional programs in topics such as Cybersecurity, Compliance, Financial Crime, Sustainable Finance, Fintech, Artificial Intelligence and Risk. The Continuing Professional Development program has focused in particular on ethics, sustainability and technology. FINSIA has also continued to be an advocate for equity and inclusion as fundamental to professionalism.

The Board is delighted to have secured Yasser, who has been the Chief Executive of the Australian Investment Council for the past eight years and was previously General Manager of Policy at the Institute of Chartered Accountants in Australia. He also has extensive experience gained through a range of professional roles in the private and public sectors, which includes financial services and consulting, professionalism, and standards-setting, as well as policy and advocacy advice to government and regulators. The Board is confident he is the best person to take the organisation forward and build on its growing success. The Board has

worked with Chris and Yasser to ensure a successful transition.

I would like to thank all our Councils – Industry, Regional, Diversity Advisory Council and Young Finance Professionals and our Working Groups for the valuable work they do in policy, advocacy, standards, education and events.

I would also like to express my sincere thanks to my fellow Board members. During 2021 as we farewell Ian Pollari F FIN, we welcomed Carolyn Kidd F FIN, Chief Risk Officer of Westpac New Zealand and Andrew McNeil SF FIN, founder of the Yarmouth Group, who have both added to the depth and breadth of capability of the Board.

Very special thanks also go to the leadership team and all the FINSIA staff for their dedication and agility in delivering our strategic plan and ensuing the CEO transition is a success.

Finally, I would like to thank you, all our members, for your commitment to FINSIA and our task of restoring trust through professionalism. FINSIA will continue to provide all of us with valuable opportunities to engage and to provide leadership of the organisation and industry into the future and I invite you all to be part of those opportunities.



I AM EXCITED AND HONoured TO HAVE BEEN CHOSEN TO LEAD FINSIA. MY PROFESSIONAL EXPERIENCE ACROSS THE FINANCIAL SERVICES INDUSTRY, AND IN POLICY AND ADVOCACY, CREATES A STRONG FOUNDATION UPON WHICH TO CONTINUE BUILDING FINSIA'S LONG-TERM SUCCESS. I AM LOOKING FORWARD TO WORKING WITH THE FINSIA BOARD AND THE FINSIA TEAM TO CONTINUE TO DELIVER INDUSTRY-LEADING OUTCOMES FOR THE ORGANISATION'S MEMBERS AND THE COMMUNITY.

**Yasser El-Ansary**

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# FINSIA EVENTS OF 2021

## TOOWOOMBA



## QUEENSLAND YFP SUNDOWNER



## QUEENSLAND ANNUAL DINNER



## NEW ZEALAND LAUNCH



## SOUTH AUSTRALIA



## WESTERN AUSTRALIA YFP



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## 03 CHIEF EXECUTIVE OFFICER'S REPORT



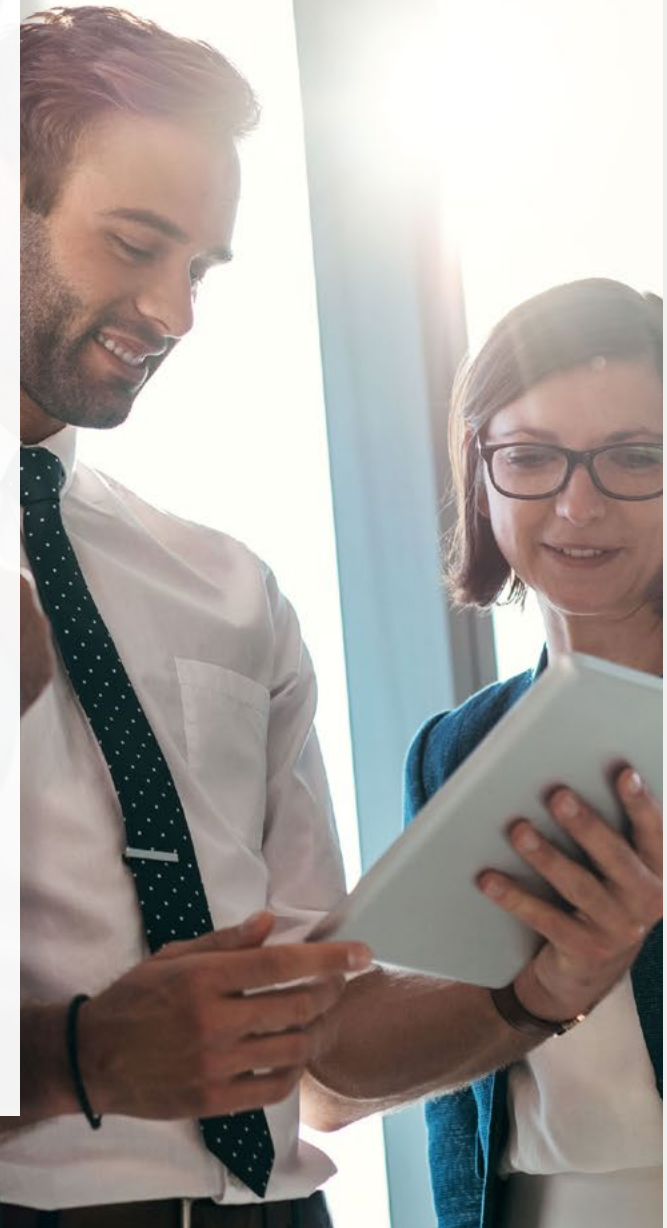
WHILE ANNUAL REPORTS TRADITIONALLY LOOK AT THE FINANCIAL DATA AND KEY EVENTS OF THE PREVIOUS 12 MONTHS, I BELIEVE IT'S IMPORTANT TO LOOK FURTHER BACK TO BRING FINSIA UP TO DATE FOR THE 2021 EDITION.

THERE HAS BEEN A FUNDAMENTAL CHANGE IN FINSIA'S OPERATIONS WITH SIGNIFICANTLY IMPROVED FINANCIAL PROSPECTS.

HOWEVER, WE NEED TO MOVE WITH INCREASING URGENCY TO GENERATE CONSISTENTLY POSITIVE CASHFLOWS. THIS REQUIRES FURTHER GROWTH IN THE UPTAKE OF EDUCATION, WHICH ALSO GENERATES NEW MEMBERSHIPS. IT ALSO RELIES UPON OUR EXISTING MEMBERS CONTINUING THEIR SUPPORT AND ADVOCACY FOR FINSIA

**CHRISTOPHER WHITEHEAD**

Chartered Banker F FIN BSC FAICD  
Chief Executive Officer and Managing Director



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Stepping away from the role of CEO and Managing Director of FINSIA provides an opportunity to examine how far we have come since I took on the job in September 2016.

Highlighting significant milestones from the past six years illustrates how our strategy has progressed and our positioning for the future - and acknowledges what remains to be done to ensure FINSIA's long-term future.

In my first report I noted the need to restore trust through the professionalisation of the banking and financial services industry.

Back then, domestic and international regulators were responding to the Global Financial Crisis with institutional level reforms to improve standards of compliance. But conduct scandals were emerging at an increasing rate. And the industry's tarnished reputation made it harder to demonstrate its important contribution to the economy and society as Australasia's largest employer.

FINSIA's income at that stage came almost entirely from membership fees, but membership was falling and significant deficits over many prior years were growing larger. Awareness and the relevance of FINSIA was in decline. In response we embarked on a major investment program to re-establish professional qualifications. The aim was to return to a sustainable financial position via the benefits of growing and diversifying our overall income and also achieving membership growth via the graduates

of these programs. More importantly, to restore FINSIA's relevance by filling an increasingly evident vacuum and support and enhance ethical professionalism in Australian financial services.

Taking advantage of international experience, FINSIA forged partnerships with the Chartered Banker Institute (CBI) and the Chartered Institute for Securities and Investment (CISI). Both UK-based professional membership bodies were several years ahead of Australasia in dealing with conduct risks as well as offering excellent technical education.

Professional Banking Fundamentals was the first practitioner-built qualification developed in partnership with CBI. This represents the first step in a professional pathway, leading ultimately to the prestigious Chartered Banker qualification. The career benefit to early adopters is already apparent.

The initial partnership with CISI led to ethics-focused workshops. We subsequently launched professional qualifications in securities and investments in conjunction with the CISI in Global Financial Compliance, Risk in Financial Services, Managing Cyber Security, and Combatting Financial Crime.

We also became founding members of the Global Banking Education Standards Board in 2017.

The highly-anticipated Royal Commission into Misconduct in the Banking, Superannuation and Financial Services



PROFESSIONAL BANKING FUNDAMENTALS WAS THE FIRST PRACTITIONER-BUILT QUALIFICATION DEVELOPED IN PARTNERSHIP WITH CBI. THIS REPRESENTS THE FIRST STEP IN A PROFESSIONAL PATHWAY, LEADING ULTIMATELY TO THE PRESTIGIOUS CHARTERED BANKER QUALIFICATION. THE CAREER BENEFIT TO EARLY ADOPTERS IS ALREADY APPARENT

Industry in 2018 inevitably shone a light on the worst examples of bad practice, providing further evidence of the cultural change required and provided further justification for FINSIA's professionalisation purpose.

The fact that the 76 recommendations in the Final Report could be summed up as a need for a cultural shift to earn back customer trust gave us fresh impetus.

In keeping with our position as a connector between practitioners, regulators and financial services licensees, we held our first Summit in three years bringing together dozens of experts, leaders and influencers as well as hundreds of attendees. The central focus was the Royal Commission and a universal acceptance of a need to restore trust and pride in banking. A key message from The Regulators event in Melbourne shortly afterwards, was that regulation alone did not hold all the answers to restoring trust - and that principles-based regulation supported by the structures of professionalism is better than tick-box compliance.

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Consumer trust surveys carried out either side of the Hayne Inquiry showed a widening trust gap.

In 2019, our AGM saw David Gall hand over the FINSIA Presidency to Victoria Weekes at an event in Barangaroo where banking veteran David Murray AO praised FINSIA's return to the education space.

It was the last year we had more face-to-face events than virtual offerings as part of the Continuing Professional Development requirements for FINSIA members

But it was a busy year for the kind of networking and thought leadership events that are part of the DNA at FINSIA.

Complementing our professionalism strategy and advocacy, two of FINSIA's regular surveys that year provided important insights on work we still need to do. Our consumer financial literacy survey revealed significant gaps in financial decision-making and a lack of basic skills on the part of customers, pointing to the need for industry to look to its social licence role in the community to respond to this issue.

FINSIA's biannual Gender Divide Survey highlighted the persistent differences between the sexes over the extent of the gender pay gap and levels of female representation in leadership despite public data to the contrary.

Little did we know then that the world was to face an unprecedented shock in the form of the COVID-19 pandemic.

I am extremely proud of our people and members who adapted quickly as we rapidly shifted to a digital-only environment to ensure members continued to have access to quality content, and each other.

The lessons we learned from the webinars we ran during 2019 helped us support members remotely with 50-plus online events and helped us pivot to the new normal.

Despite the ongoing impact of COVID in its various mutations, we did manage to hold 11 face-to-face events as well as those webinars that kept us connected - including the most popular event, which was The Regulators. FINSIA President Victoria Weekes moderated the session which had over 1000 attendees.

In spite of the pandemic, June 2020 saw the announcement of the agreement with NAB and BNZ to partner with FINSIA to establish their Career Qualified in Banking (CQIB) pathway. This will see the vast majority of their employees achieve our internationally recognised Professional Banking Fundamentals professional



**FINSIA'S BIANNUAL GENDER DIVIDE SURVEY HIGHLIGHTED THE PERSISTENT DIFFERENCES BETWEEN THE SEXES OVER THE EXTENT OF THE GENDER PAY GAP AND LEVELS OF FEMALE REPRESENTATION IN LEADERSHIP DESPITE PUBLIC DATA TO THE CONTRARY.**

qualification. In addition many of their senior staff are achieving recognition as Chartered Bankers, via rigorous assessment. It was a game changing decision by a major financial services organisation. The commitment gained significant media and industry attention, showing the potential for other major banks to get onboard to create industry-wide professional educational standards and momentum.

Judo Bank, one of the success stories in Australian financial services over the past five years, is another organisation to expect and support their staff across all roles to gain FINSIA qualifications so far.

As the pandemic continued into 2021, we focused on the development of industry-wide Professional Standards - a key building block to raise the level of professionalism in financial services.

With the increasing interest in managing climate-change risks and supporting a low-carbon economy, we have had growing demand for the Green Finance Certificate we offer in partnership with CBI. We also now offer the unique Certificate in Climate Risk, a globally applicable professional qualification developed jointly by the UK's securities, banking and insurance Chartered Institutes.

FINSIA's advocacy also continued throughout the year with submissions to the Financial Accountability Regime Bill, the Single Disciplinary Body Response, the Financial Services Council Green Paper on Affordable and Accessible Advice, and to the Independent Review of the Banking Code of Practice. The independent review of the

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ABA's Banking Code of Practice backed FINSIA's submission that consistently meeting obligations to ensure staff were competent, and that customers were treated fairly, required shared professional standards of competency and conduct. Our sixth Gender Divide Survey was released in October - after many hours of painstaking research by volunteers on the Diversity Advisory Council. It again highlighted the way men and women in financial services sector are out of step with each other on issues of gender inequality.

Our communication channels continued to grow during 2021. Our digital offerings included dozens more webinars. The scope of these expanded too. Given the undeniable impact of COVID on our collective mental health, several that focused on resilience received high ratings. Others came from a truly diverse range of subjects examining everything from cryptocurrency to creative thinking and career hacks, from the behind the scenes story of the Virgin restructure to thinking like a hacker as a way of thwarting cyber risks. FINSIA now offers members free, on demand, access to over 100 recorded webinars conducted over the last three years. FINSIA's regular newsletters - InFinance and The Standard - carried more than 100 articles, including regular contributions from Senior Fellows and high profile business leaders. The FINSIA Podcast returned after a two-year hiatus with shorter but still insightful topics ranging from the growth of crowdfunding to the so-called Great Resignation. Likewise,

FINSIA's various social media platforms continue to grow enabling even more communication avenues for members.

While COVID variants continued to disrupt the many networking events we like to run annually, several states and New Zealand notably managed to hold informative face-to-face sessions. In Wellington, Deputy Prime Minister, the Hon. Grant Robertson, praised the "important" work FINSIA is doing as we formally launched our NZ-focused professional banking qualifications.

In October, I was elected to Chair the Asian Securities and Investments Federation, comprising of seven national securities institutes. The collaboration saw immediate success with the most popular webinar of the year, examining blockchain and cryptocurrencies.

There has been a fundamental change in FINSIA's operations with significantly improved financial prospects. Education, only launched in 2017, is now contributing more than 50% of total revenue and generating significant new memberships. That we had the highest membership renewal rates achieved within memory in 2021 speaks volumes for the belief members' have in our organisation. Our consumption of cash reserves has slowed and now reflects investment in education, rather than operating losses. However, whilst the outlook is more positive, we have not yet reached a sustainable financial position. The hiatus during the Royal Commission followed by the impact of COVID on education growth have slowed



CLIMATE-CHANGE RISKS AND SUPPORTING A LOW-CARBON ECONOMY, WE HAVE HAD GROWING DEMAND FOR THE GREEN FINANCE CERTIFICATE WE OFFER IN PARTNERSHIP WITH CBI. WE ALSO NOW OFFER THE UNIQUE CERTIFICATE IN CLIMATE RISK, A GLOBALLY APPLICABLE PROFESSIONAL QUALIFICATION DEVELOPED JOINTLY BY THE UK'S SECURITIES, BANKING AND INSURANCE CHARTERED INSTITUTES.

progress. With declining reserves we need to move with increasing urgency to generate consistently positive cashflows. This requires further growth in the uptake of education, which also generates new memberships. It also relies upon our existing members continuing their support and advocacy for FINSIA and our shared purpose to raise professionalism in financial services.

Our progress is the result of tens of thousands of hours of volunteer work by those members who believe in FINSIA's professionalism strategy and take part in the Industry and Regional Councils, as well as those who are on our Board steering that strategy. It is also down to the members who have taken part in the 329 events we have held since 2016 and colleagues who run the day-to-day operations for FINSIA.

To all of you I would like to say thank you.

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## 04 JOURNEY OF PROFESSIONALISM

### FINSIA LAUNCHES PROFESSIONAL QUALIFICATIONS IN NEW ZEALAND

In July 2021 FINSIA brought our education products and qualifications to New Zealand. New Zealand National Council Deputy Chair Phillip Meyer highlighted the major opportunities for mentoring and networking within the industry.

Deputy Prime Minister Honourable Grant Robertson recognised the “important” work FINSIA was doing, as well as expressing that FINSIA members should also become part of the broader, strategic economic discussions going on in New Zealand as the country recovers from COVID-19.

“IT'S VERY IMPORTANT THAT ORGANISATIONS LIKE FINSIA ARE PART OF LIFTING STANDARDS, PART OF MAKING SURE THOSE STOCKS OF SOCIAL CAPITAL WITHIN HOW WE GO ABOUT OUR BUSINESSES ARE UPHELD.

New Zealand Deputy PM Grant Robertson

### BANKING CODE OF PRACTICE

The Council engaged on a range of issues including the finalisation of proposed standards, climate risk and responsible banking and the independent review of the Banking Code of Practice (BCOP). It is very pleasing to see the BCOP Reviewer find that the commitment to have trained and competent staff in the Code should cover staff at all levels including management and the banks should develop industry-wide standards for competency and conduct of bank staff. The Council will continue to support FINSIA's efforts to facilitate acceptance of that recommendation.

### EVENTS OVERALL

14

Face-to-face events



58

webinars



4.5

Average rating out of 5

10110

Registered attendees in 2021

### GENDER SPLIT OF SPEAKERS



33% female



67% male

### FUTURE OF FINANCE SERIES

Global and future trends



6th year

2186

Registered members

### ECONOMIC INDICATORS

13th year

174

Registrations



4

Feedback out of 5

### WEBINARS

58 webinars



Increased from 50 in 2020

Complimentary for members



High calibre speakers and panels

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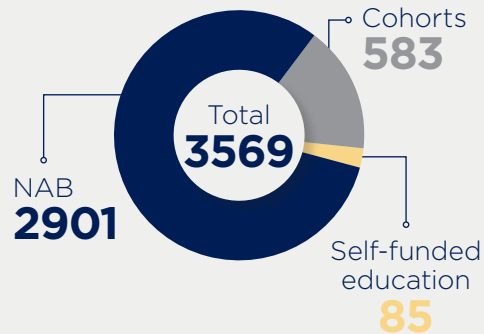
## 04 JOURNEY OF PROFESSIONALISM

### MEMBERS

**3806**

Total new members in 2021

#### MEMBERS THROUGH EDUCATION



### EDUCATION 2021



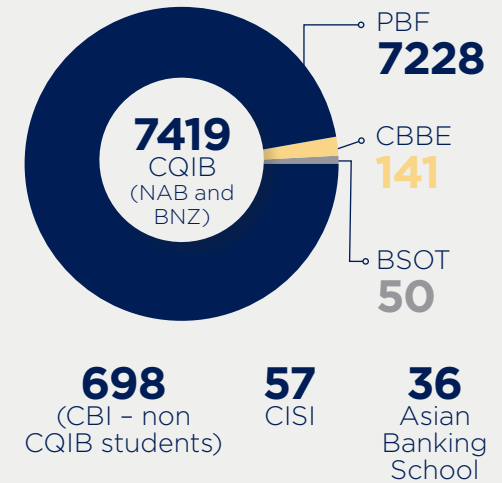
**2908**

**NAB AND CQIB**  
Completed enrolments  
(NAB and BNZ across PBF and CBBE)



**147** (CBI - non CQIB students)

### STUDENT REGISTRATIONS



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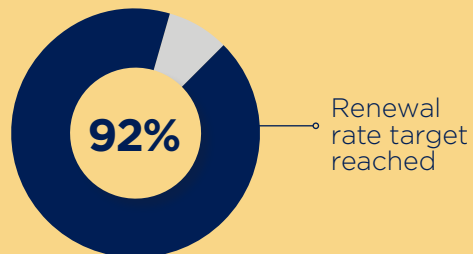
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### MEMBERSHIP LEGACY RENEWAL CAMPAIGN



### SOCIAL MEDIA

**776**

Social media posts



More than **19000** followers across all channels

More than **5017** video views across all channels

More than **13000** on LinkedIn



Engagement rate up **UP 256%** compared previous 12 months (2020)

## 04 JOURNEY OF PROFESSIONALISM

### GENDER DIVIDE SURVEY

FINSIA's Diversity Advisory Council has been in place since 2010. Its purpose is to advise FINSIA on issues regarding diversity and inclusion. A key output of the Council is the production of the Gender Divide Survey. Now in its 10th year, the survey has been an important data source for academics and senior media commentators analysing views held within the financial services sector towards the important issue of gender equality.

The production of the survey is a significant undertaking and thanks to the efforts of the Council, Chair Linda Maniaci and FINSIA personnel, the 2020 survey received significant media coverage.

The survey highlights the differences in perceptions of gender issues and challenges such as subconscious bias. The key findings from this year's survey included:

#### 1. Organisations are doing more to promote gender equality, particularly larger ones:

More respondents have diversity and inclusion KPIs associated with their role, and more than half agreed that the promotion and advancement of women is an organisational priority in principle. However, female respondents are still much less likely than men to agree that their employer is committed to the promotion and advancement of women in practice. For these women the gap between "saying" and "doing" has widened.



I WAS VERY PLEASED TO HAVE BEEN PART OF ESTABLISHING THE DIVERSITY ADVISORY COUNCIL AND THE GENDER DIVIDE SURVEY. THIS SUBSTANTIAL BODY OF ORIGINAL RESEARCH BY FINSIA PROVIDES A VALUABLE ANALYSIS OVER YEARS OF THE GAP BETWEEN PERCEPTION AND REALITY OF GENDER EQUALITY.

**Victoria Weekes**

#### 2. Our industry is not immune to sexual harassment or sexism:

Alarming, 60% of women under the age of 25 who responded to this survey said they have experienced or witnessed sexual harassment or sexual remarks. No women under 25 responded that they had 'never' experienced or witnessed inappropriate behaviour or remarks in the past five years. This concern is compounded by an increase in discomfort – among both women and men – to speak up about issues regarding gender inequity.

#### 3. Men and women have vastly different views on pay transparency:

This year's survey recorded the biggest ever gap in perception as to whether an organisation is transparent about pay. Male respondents are more than three times more likely to agree that their employer is transparent about remuneration than female respondents. A reason for the difference in how genders perceive this issue may be found in WGEA data showing that gender pay gaps favouring men persist in all industries. Financial and insurance services remain the industry with the largest gender pay gap – 27.5% for total remuneration (i.e. including bonus and incentive payments), and 21.2% for base salary. However, while the gender pay gap in financial services is

persistently large, WGEA data shows that 61% of financial services organisations conducted a remuneration gap analysis in the past 12 months (compared to 35.6% for all industries).

#### 4. Women are more concerned about intersectionality:

Women are more likely to believe that women with diverse backgrounds (eg. cultural, LGBTQ+, disabilities, age) have additional barriers to progressing to executive levels. Board directors are also less likely to perceive that these barriers exist than middle management are (a gap that also appears across other issues).

**5. The impact of COVID-19:** While COVID-19 had little impact on the majority of respondents' careers, especially those in more senior positions, it has made flexibility in the workforce more acceptable. However, there is still a strong degree of consensus among both males and females that men are still less likely to take flexible work arrangements because of concerns about how this will be perceived.



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# TOP 10 FINSIA WEBINARS OF 2021



1

Future of Finance Series 2021: Think Like a Hacker



2

Resilience and Mindset - Set yourself up for a successful 2021



5

Creative Thinking Part 2 - Tools for Developing Ideas



4

Creative Thinking - Tools for Developing Ideas



3

PBF Chapter 4: Serving Customers - Products and Services



6

Australian Housing Market Update - Prominent Trends Through 2021



7

Future of Finance 2021: Blockchain in the Finance Industry - How far will it go?



8

The Great Super Debate 2021 - Past, Present and Future



10

FINSIA Quarterly Economic Update with Felicity



9

Super 102 - Personal Finance Series

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## 05 COUNCILS AND COMMITTEES



THANK YOU TO OUR  
COUNCIL MEMBERS  
FOR THEIR VALUABLE  
SUPPORT OF FINZIA AND  
ITS MEMBERS ACROSS  
AUSTRALASIA.

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## 05 COUNCILS AND COMMITTEES



**BERNARD MCCREA**  
SF FIN, CHAIR

### NEW ZEALAND NATIONAL COUNCIL

What a great year it was! We had the return of FINSIA training to New Zealand and launched the Professional Banking Fundamentals at our mid-year event 2021 with the guest speaker on the night, Deputy Prime Minister Hon Grant Robertson. We also had three other successful events with the first being then Dep Reserve Bank Governor, Geoff Bascand, discussing the NZ economy and what lies ahead. The second event was a professional development event and the guest speaker was Kirsten Patterson, Chief Executive of the NZ Institute of Directors. Lastly, we hosted Clare Bolingford, Director of Banking and Insurance from the Financial Markets Authority, to discuss upcoming banking and insurance regulation.

In New Zealand a major industry change occurred in 2021 with every person and entity who gives regulated financial advice having to re-register under the Financial Services Legislation Amendment Act 2019. Every entity that wanted to be relicensed had to apply and initially got a transitional license and then had until March 2023 to apply and obtain a full financial licence. There is also more regulation coming in 2022-2023 with the Conduct of (Financial) Institutions Amendment Bill that essentially means all financial institutions establish and develop fair conduct programs.

The committee met regularly to discuss industry issues and where FINSIA can make a contribution. We also look forward to a number of new members joining us through the next year.

## REGIONAL

### COUNCIL MEMBERS

Bernard McCrea	SF Fin	<b>Chair</b>	Adam Ward	F FIN
Leon Grandy	SF FIN		Ian Perera	F FIN
David Tripe	SF FIN		Carolyn Kidd	F FIN
Phillip Meyer	F FIN			



**NATHAN KRIEGER**  
F FIN, CHAIR

### NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY REGIONAL COUNCIL

We are excited to support FINSIA's mission to increase the face-to-face opportunities for members in 2022. The council also welcomes any FINSIA interest to be involved in the council, which will give individuals the opportunity to connect with others passionate about leading the drive to professionalism of our industry.

### COUNCIL MEMBERS

Nathan Krieger	F FIN	<b>Chair</b>	Samantha Clarke	SA FIN
Linda Maniaci	SF FIN		Adam Morrison	
Andrew Butler	SF FIN			
Mark Thomas	SF FIN			
Mark Lumsden	SA FIN			

**2021 former members**  
Kathryn Illy

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**PHILIP VICKERY**  
F FIN, CHAIR

### QUEENSLAND REGIONAL COUNCIL

Queensland Regional Council's key focus is to promote FINSIA and the great benefits to its members and to the community through its professional development programs and networking events. It is pleasing to see 348 new members join in 2021. Of those, 49 are in the Young Finance Professionals category, which suggests we are continuing in the right direction especially with renewal rates at 85%.

Events like the 13th annual Economic Indicators, our partnered event with Toowoomba and Surat Basin Enterprise – at which we enjoyed the insights of QIC Chief Economist Dr Matthew Peter, Suncorp's Head of Agribusiness April Cavanagh and Heritage Bank CEO Peter Lock – are core to maintaining that successful status as the premier professional body for banking and financial services. Our annual end of year dinner, where our speaker was Karen Smith-Pomeroy, was also a great event thanks to the hard work of the committee members. So thank you for all the contributions, particularly Kerry McGowan and Peter Pontikis who both celebrated 30 years as members of FINSIA. Many thanks also to Erin Strang, from Suncorp, who has resigned after four years.

### COUNCIL MEMBERS

Philip Vickery	F FIN	<b>Chair</b>	Chris Bell	F FIN
Anne-Maree Keane	SF FIN		Kristy van Horck	F FIN
Kerry McGowan	SF FIN		Veronica Kregor	SA FIN
Peter Pontikis	SF FIN		Rachel Elfverson	SA FIN
Peta Tilse	SF FIN		Joanne Dwyer	A FIN
Jeremy White	F FIN		<b>2021 former members</b> Erin Strang	

## REGIONAL



**IDA WONG-TAYLOR**  
F FIN, CHAIR

### SOUTH AUSTRALIA/NORTHERN TERRITORY REGIONAL COUNCIL

The SA Regional Council continued to support FINSIA members through COVID-19 with a focus on its three strategic pillars: (i) member engagement and events, (ii) professional development and qualifications and (iii) young financial professionals (YFP) and mentoring.

In the last year, the local YFP initiatives delivered fully subscribed face-to-face events for non/members such as the signature annual Current and Future Leaders evening which involved senior leaders across South Australia.

During a challenging COVID-19 environment that has impacted South Australian consumer discretionary industries, especially hospitality and tourism, it was encouraging to see our local banking and finance industry create over 4000 jobs for impacted and misplaced labour in the state.

On a personal note, I stepped down as Chair at the end of 2021 after two rewarding years, handing over to Ben Owen SA FIN, who I know will continue to drive the council and its three strategic pillars.

### COUNCIL MEMBERS

Ida Wong Taylor	F FIN	<b>Chair</b>	Kylie Allen	F FIN
John Montague	SF FIN		Paul Hutchinson	F FIN
Ben Owen	SA FIN		Sheridan Wright	SA
Joe Formichella	F FIN		Lan Lam	A FIN
Enza Ferraro	F FIN		<b>2021 former members</b> Briony Mitchell	
Todd Finney	F FIN			

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# REGIONAL



**STEVE DANIELS**

F FIN, CHAIR



**WAYDE KEYSER**

F FIN, CHAIR

### VICTORIA/TASMANIA REGIONAL COUNCIL

Within FINSIA, we continued to support and embrace the courage of those who want to make a difference through professional standards: those who want to prove their point through actions rather than words, and those who strive to make a difference. For me, these people include the VIC/TAS council members, who over 2021, like all Victorians, endured the longest lockdown of anywhere in the world, and yet continued to imagine ways of reaching out to members for value adding events and opportunities. Thank you for your ongoing contribution to FINSIA.

As we look forward into 2022, we do so knowing that every day forward is a day closer to normality. For all Victorian and Tasmanian members, please look to utilise the various tools that FINSIA offers to develop and curate your own professional credentials: the list of offerings is extensive. If you think something is missing, or would like to see a particular topic covered in a webinar or speaker series, please reach out to me (you'll find me on LinkedIn), or to FINSIA directly.

### COUNCIL MEMBERS

Stephen Daniels	F FIN	<b>Chair</b>	Robert Szyszko	F FIN
Phillip Dolan	SF FIN		David Doyle	F FIN
Sara Harman	SF FIN		Zekija Glamocic	F FIN
Paul Chin	SF FIN		Alex Lord	F FIN
Mark Topy	SF FIN		Jeff Gattone	F FIN
Jim Christodouleas	F FIN		Mandy Rashleigh	SA FIN

### WESTERN AUSTRALIA REGIONAL COUNCIL

In November, the WA Council hosted a members networking event at Pica Bar in Northbridge. On a beautiful Perth evening, approx. 50 members and their guests enjoyed getting to know each other a little better. The success of the event has led the WA Council to now make these quarterly, free of charge, for members.

Earlier in 2021, we hosted an event with the now WA Consul General to the UK, John Langoulant. John shared his thoughts, as part of his role as Infrastructure WA Chair, but he was also able to talk to his imminent relocation to the UK in order to take up the prestigious Consul General position.

Other than ANZ, we have representation from all the majors, including Bankwest, and are really pleased to have a cross-section of industries with consultants, advisers, lawyers and accountants among our WA Council.

The WA Council look forward to an exciting year ahead for FINSIA in WA and are keen to make sure we leverage the positions we hold to increase professionalism, and collaboration, across the industries in which we operate.

### COUNCIL MEMBERS

Wayde Keyser	SF FIN	<b>Chair</b>	Sinead Bannon	A FIN
Rohan Mishra	F FIN		Pauline Gazzard	A FIN
Allan Maitland	F FIN		Brendon Ka	A FIN
Ian O'Brien	F FIN			
Tim Sullivan	F FIN			
Emma Wright	SA FIN			

### 2021 former members

Adrienne Oliveri

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**JOHN CORCORAN**  
F FIN, CHAIR

### FINANCIAL ADVICE AND SERVICES INDUSTRY COUNCIL

The COVID-19 pandemic continued to heavily influence the provision of financial advice in 2021 while simultaneously driving the need for it. Advisers and their clients across Australia embraced technology to replace in-person engagements. In this context, the Financial Advice and Services Council agreed it was important to focus on the future of our profession. As a result, we made submissions to Treasury on consultations related to the Single Disciplinary Body and the proposals around education standards. We also made submissions on the Financial Services Council's Green Paper on Financial Advice and the draft terms of reference for the quality of financial advice terms of reference. The quality of financial advice review will take place over the course of 2022, and the Council has started to consider positions designed to ensure financial advice is simple, affordable and accessible.

As the Chair, I have the pleasure of working with some very talented and experienced Council members, and I would like to thank them for their ongoing contributions and thought leadership.

#### COUNCIL MEMBERS

John Corcoran	F FIN	<b>Chair</b>	Louis Geronazzo	F FIN
Sandra Bowley	SF FIN		Diana Bugarcic	F FIN
Peta Tilse	SF FIN		Louise Trevaskis	F FIN
Bernard McCrea	SF FIN			



**WESLEY HATCH**  
F FIN, CHAIR

### FUNDS AND ASSET MANAGEMENT INDUSTRY COUNCIL

The Funds and Asset Management Industry Council is resolved to represent the interests of the industry as a whole. Our core focus is to work with FINSIA to develop relevant content designed to engage with members from the funds and asset management industry. I am excited to see FINSIA working to deliver a range of solutions to members in 2022 that will cover topics including Investment Governance; Green and Sustainable Finance; and Climate Risk. We have also encouraged the reintroduction of face-to-face content, as we learn to work in a post-COVID world.

I consider myself very fortunate to chair a diverse council of passionate industry experts. This year will see the council expand to ensure its broad perspective is sustained.

We will continue to engage with industry leaders to deliver content that ensures FINSIA remains a trusted provider of high-quality content.

#### COUNCIL MEMBERS

Wesley Hatch	F FIN	<b>Chair</b>	Simon Hudson	F FIN
Susanna Gorogh	SF FIN		Sharon Davis	F FIN
Giles Gunsekera	SF FIN		Scot Thompson	SA FIN
Paul Chin	SF FIN		Brendan O'Connor	
Paul Khoury	SF FIN			

# INDUSTRY

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# INDUSTRY



**CHRIS BAYLISS**  
F FIN, CHAIR



**ANDREW KINASCH**  
SA FIN, CHAIR

### RETAIL AND BUSINESS BANKING INDUSTRY COUNCIL

The Council engaged on a range of issues including finalisation of proposed standards, climate risk and responsible banking, and the independent review of the Banking Code of Practice (BCOP). It is very pleasing to see the BCOP Reviewer find that the commitment to have staff trained and competent in the Code should cover staff at all levels including management, and the banks should develop industry-wide standards for the competency and conduct of bank staff. The Council will continue to support FINSIA's efforts to facilitate acceptance of that recommendation.

### INSTITUTIONAL MARKETS INDUSTRY COUNCIL

The Council represents the Institutional Markets contribution to FINSIA's mission of deepening trust and raising the standards of professionalism in the financial industry.

We resolved to provide content to build member knowledge and skills to meet the ongoing challenges of the financial services industry. Throughout the year, we worked with the FINSIA team on key industry topics, such as, upcoming changes in regulatory capital standards, how the industry has successfully applied Ethics in the FX market post the 2018 introduction of the FX Global Code, progress in industry diversity, the economy post-COVID and articles covering the impact of working from home on emissions, productivity and anxiety.

It has been a busy year and I would like to thank the council for embracing a diverse range of issues and for their contribution to helping FINSIA and the industry navigate these challenges.

### COUNCIL MEMBERS

Chris Bayliss	F FIN	<b>Chair</b>	Adrian Lovney	F FIN
Greg Crocombe	F FIN		Adam Ward	F FIN
Cindy Hansen	F FIN		Krissie Jones	
Helen Michael	F FIN		Carmel Speer	

### COUNCIL MEMBERS

Andrew Kinasch	SA FIN	<b>Chair</b>	Alastair Findlay	F FIN
Andrew Butler	SF FIN		Anthony Carlton	SA FIN
Anastasia Economou	SF FIN		Jerry Parwada	
Connie Sokaris	F FIN		Luke Marriott	
Ian Perera	F FIN		Adrienne Neilson	

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**MICHAEL  
TRAN**  
CHAIR

### NEW SOUTH WALES YFP

The NSW YFP committee said thank you to Michael Romano for his dedication, serving as Chair for the previous four years, as well as to Cameron Howlett and Aiden McCluskey who also stepped down. Taking over the position of Chair, it has been rewarding to work with a reinvigorated committee – with four new members, and ending a challenging 2021 on a fantastic high. Even though NSW/ACT spent a large portion in lockdown, the committee remained resilient and continued to support members. We closed off the year with a virtual Current and Future Leaders event, which had stellar feedback and illustrated the importance of support from FINSIA and the YFP members.

### COUNCIL MEMBERS

Michael Tran	<b>Chair</b>
Katrina Filacouridis SA FIN	<b>Deputy Chair</b>
Robert Beaumont	
James Walker	
Ricky Rangra	

### 2021 former members

Cameron Howlett  
Aiden McCluskey  
Michael Romano



**ADAM  
CROMBIE**  
SA FIN, CHAIR

### QUEENSLAND YFP

2021 had many of the same themes as 2020 with remote working and COVID preventing us meeting face to face as often as we would have liked. The events we did manage to pull together certainly took a lot more planning but were well worth it, with plenty of new and old faces attending and everyone enjoying catching up socially, many commenting that an event in the city that evening was the only reason they came into the office that day!

Despite the bumpy start to 2022, the QLD YFP are already well underway in planning this year's events, hoping to provide as many face-to-face networking opportunities as we can. We'll stick to the usual crowd-pleasers such as the Current and Future Leaders event, as well as more informal Sundowner catch-ups and opportunities for CPD through subject matter expert presentations.

After over two years of disruption, it is now more important than ever to get along to network with industry peers and meet new people who can set you up for success throughout your career.

### COUNCIL MEMBERS

Adam Crombie SA FIN	<b>Chair</b>
Eloise Jolly	<b>Deputy Chair</b>
Jenna Nash	A FIN
Julian Gowdie	A FIN
Diana Urbina	A FIN
Petra Kliese	G FIN

Nadine Mudalige	G FIN
Claire Watson	

### 2021 former members

Angus Goodyear  
Assia Murphy  
Jordan Garnsworthy

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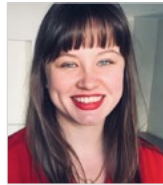
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**MAGGIE BEUKES**  
CHAIR



**MARCO FANTOZZI**  
A FIN, CHAIR

### SOUTH AUSTRALIA/NORTHERN TERRITORY YFP

As with much of the country, 2021 was a year spent dealing with the challenges of COVID. Despite this, the SA YFP were fortunate that we were able to successfully conduct our flagship Current and Future Leaders event, which allowed us to reconnect with industry contacts and draw inspiration from leaders across a range of sectors.

As we look to 2022, we are excited by the prospect of building engagement with our young finance professionals through a range of events and partnerships to foster development of the industry within South Australia.

### VICTORIA/TASMANIA YFP

It has been another rocky year in Australia due to COVID-19. The FINSIA YFP VIC/TAS committee was still able to run the Women in Finance event this year with great success. Unfortunately, our efforts to host our flagship event, the Current and Future Leaders, was disrupted by intermittent lockdowns. We plan to still host this in 2022 along with other in-person events to bring back the personal networking and development opportunities we have been craving.

As for the committee, Caroline Ramsden has accepted the role of Chair as I step down. Caroline has been an active member of the committee for a number of years and is well suited for the role. I will continue to be part of the YFP for the foreseeable future. We also welcome Charmaine Hunzwi, Robert D'leema and Katherine Carmichael to the committee. We unfortunately have to farewell to Monica Li and Inneke Kusumah - thank you for your contributions.

### COUNCIL MEMBERS

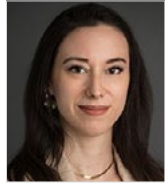
Maggie Beukes		<b>Chair</b>	Ben Caruso	A FIN
Timothy Young	A FIN	<b>Deputy Chair</b>	Nathan Clarke	
Peter Tyson	SA FIN		Ivan Oulianoff	
			Hang Chea	

### COUNCIL MEMBERS

Marco Fantozzi	A FIN	<b>Chair</b>	Nicolas Tonkin
Caroline Ramsden			Robert D'leema
Charmaine Hunzwi	A FIN		Katherine Carmichael
Kerrydan Flory	A FIN		
Drew Garret	A FIN		
Mercedes Poutakidis			<b>2021 former members</b> Inneke Kusumah Monica Li



## 05 COUNCILS AND COMMITTEES



**ELODIE CASTAGNA**  
CHAIR

### WESTERN AUSTRALIA YFP

2021 was a busy year for the YFP Committee in Western Australia.

We held a number of events to promote the FINSIA brand in WA. These included partnering with Perth YP to host a February Sundowner, which sold out with more than 100 tickets sold, and an opportunity for Perth-based professionals to network amongst each other.

Engagement with sponsors remains key, and we partnered with Deloitte and the Institute of Internal Auditors (IIA) in April, where our very own Regional Council Member Pauline Gazzard participated in a panel discussion sharing her career and leadership expertise with a room of young auditors.

Forming relationships with universities was one of our goals for 2021, and we established a partnership with UWA, promoting FINSIA at the AIESEC Youth to Business Forum in May. At the forum we hosted a workshop on building strong CV/ resume skills and participated in a panel discussion in front of 80+ final year students.

In November, we held a standalone FINSIA event with the CEO of the new WA Museum, Dr Alec Coles, who shared his leadership journey and insights on the new museum to 50+ corporate professionals.

We continue working collaboratively with the WA Regional Council. As Chair, I am very proud of our YFP Committee as we look forward to continuing to raise awareness of FINSIA in Western Australia.

### COUNCIL MEMBERS

Elodie Castagna A FIN **Chair**

Lashan Wanigasekera A FIN

Kevin Too A FIN

Emmanuel Ranga

Boris Divis

Amanda Bourke

Daniel Chiew

Deanne Garac

### AJAF EDITORIAL BOARD

#### EDITORIAL BOARD MEMBERS

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Associate Professor Tony Carlton

Associate Professor Maurice Peat F FIN **Managing Editor**

Dr Jean Canil

Professor Kevin Davis SF FIN

Dr Bruce Arnold

Professor Kim Hawtrey SF FIN

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LISA  
LINTERN

A FIN, Chair



PROFESSOR  
DUNCAN  
HONORE-MORRIS

SF FIN, Chair

### DIVERSITY ADVISORY COUNCIL

In late 2021, Linda Maniaci stepped down as Chair, but continues to provide her support to the Council as a member and must be acknowledged for her significant contribution. Lisa Lintern will now Chair the Council and is working with existing and new members to agree key activities for the next 12 to 24 months. This will include tactics designed to provoke industry conversations and meaningful change, identifying and working with key stakeholders to help amplify the Council's work and potentially broadening the Council's focus to cover wider issues of diversity. The Gender Divide Survey will remain as a key activity for the Council given its propensity to generate important data and conversations for our industry.

### EDUCATION ADVISORY COMMITTEE

Professor Duncan Honore-Morris SF FIN brings an enormous range of experience spanning education and industry sectors.

Expanding on the remit of the committee, Professor Honore-Morris said: "To give validity and credibility to any educational program it has to have external review. It has to be relevant and contemporary to where it is being used.

"Having our own educational advisory board will make it contemporary for Australian needs, and this industry."

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Lisa Lintern	A FIN	<b>Chair</b>	Elise Vollebregt	SA FIN
Malini Raj	SF FIN		Natalie Yan-Chatonsky	A FIN
Helen Lorigan	SF FIN		Mercedes Poutakidis	F FIN
Linda Maniaci	SF FIN		Wayne Atkinson	SF FIN
Anne Voursoukis	F FIN			
Alexander Michael Snape	SA FIN			

### COMMITTEE MEMBERS

Professor Duncan Honore-Morris	SF FIN	<b>Chair</b>
Melinda Moore		<b>Deputy Chair</b>
David Tripe	SF FIN	
Eliza Wu		
Professor Mark Brimble		



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## 06 CORPORATE GOVERNANCE

FINSIA IS A FOUNDING MEMBER OF THE ASX CORPORATE GOVERNANCE COUNCIL AND FINSIA'S CHIEF EXECUTIVE OFFICER IS A MEMBER OF THE COUNCIL.

FINSIA's Board has endorsed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (CG Recommendations).

The Board is focused on ensuring stakeholders are informed of our activities and that the confidence of our members is preserved.

### PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

- ✔ The Board is responsible for the overall corporate governance of FINSIA, including its corporate governance planning.
- ✔ The Board has a Board Charter which sets out the respective roles and responsibilities of the Board and of management and includes a framework of internal controls, a business risk management process and established ethical standards.
- ✔ The Board has an established process for reviewing the performance of directors and of key executives annually. Performance reviews of key executives were conducted in FY 2021. A performance review of the Board and its Committees was not undertaken in FY 2021, but was scheduled for completion and completed in February 2022.

### PRINCIPLE 2 STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

- ✔ FINSIA Constitution and By-Laws together determine the composition of the Board, with new directors subject to election by a direct national vote by members before each annual general meeting.
- ✔ The Chief Executive Officer and Managing Director is the only director who is a member of management.
- ✔ The Chair and remaining Board members are independent directors.

#### Directors during FY 2021

- ✔ The directors in office at the date of this statement are set out in the directors' report.
- ✔ Biographical details outlining skills, experience and expertise relevant to the position of the director are provided in the Board profile. Other directorships are also noted.

#### Gender diversity

- ✔ FINSIA is committed to ensuring gender diversity across the organisation and monitors the proportion of women in the whole organisation, at senior executive level and at Board level in accordance with the CG Recommendations, Principle 1. In 2021, the percentage of female elected directors of FINSIA increased to 40%. FINSIA also monitors the level of women on councils and committees.

#### Measurable objectives

- ✔ In September 2019, the FINSIA Board adopted measurable objectives for achieving gender diversity across the organisation's membership and for speakers and attendees at FINSIA events. Despite the disruptions caused by the pandemic in 2020 and 2021, the measurable objectives continue to be a focus across the business. In FY 2021, more than half of new members to FINSIA were female for the first time.
- ✔ The Board has an induction program in place for new directors.

#### Nominations committee

- ✔ The Nominations and Remuneration Committee of the Board is chaired by the President of FINSIA and comprises a majority of independent directors.
- ✔ The composition and attendance at meetings of the Nominations and Remuneration Committee are shown in the directors' report.
- ✔ In its consideration and recommendation of candidates for the Board, the Nominations and Remuneration Committee seeks continuity of expertise and representation of regions and industry sectors, as serving directors conclude their tenure on the Board. The Nominations and Remuneration Committee uses a Board skills matrix to identify potential directors with skills desired for the Board.

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## 06 CORPORATE GOVERNANCE

The Board-endorsed guidelines for attributes required of directors are outlined in the Board Charter, which is available on our website at [finsia.com/about-us](https://finsia.com/about-us).

The Board has established a Director Nominations Committee as a sub-committee of the Nominations and Remuneration Committee to assist with the independent assessment of directors nominated to stand for election to the Board. Details of members of the committee and the committee's Terms of Reference are available on our website at [finsia.com/about-us](https://finsia.com/about-us). The Terms of Reference act as a guide but are reviewed each year, with guidance from the Nominations and Remuneration Committee, in relation to particular qualities and competencies sought and these are set out in the annual call for nominations for election as a director.

### Regional representation

- ✔ The Board appoints Regional Councils, which include representatives from various business sectors. Members of Regional Councils are FINSIA members.

### Independent professional advice

- ✔ Each director has the right to seek independent professional advice at FINSIA's expense. The President's prior approval is required, which is not to be withheld unreasonably.

## PRINCIPLE 3 INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

FINSIA's Board, its employees and members are expected to act lawfully, ethically and responsibly as enshrined in the FINSIA Code of Conduct available at [finsia.com/about-us](https://finsia.com/about-us).

- ✔ The Board has established a Disciplinary Committee which is chaired by an independent third party legal professional to review suspected or actual breaches of the Code of Conduct and determine any action required.
- ✔ Directors are required to disclose transactions between themselves, their firms or associated entities and FINSIA, including payment for services.
- ✔ The Board takes seriously its legal obligations and has regard to the reasonable expectations of all stakeholders.

### Conflicts of interest

- ✔ Board policy requires that if there is, or could be, a conflict of interest for directors, then those directors do not receive relevant board papers, do not participate in those discussions or vote, and absent themselves from the meeting room when those discussions are held.
- ✔ The policy provides for a register of interests and directors are required to notify any changes to their register of interests at each board meeting.

## PRINCIPLE 4 SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

- ✔ The Audit, Finance, Risk Management and Compliance Committee (Audit and Risk Committee) of the Board comprises all non-executive directors the majority of whom are independent and is chaired by an independent director who is not the chair of the Board.
- ✔ Membership of the Audit and Risk Committee during 2021 is set out in the directors' report.
- ✔ To provide rigour and accountability, declarations are made by each of the operational managers that all material liabilities have been identified and communicated to the finance department as part of the year end accounting process.
- ✔ In accordance with the CG Recommendations, the Chief Executive Officer and the Chief Financial Officer have provided signed statements to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial position and operational results and are in accordance with relevant accounting standards.

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### PRINCIPLE 5 MAKE TIMELY AND BALANCED DISCLOSURE

- ✔ FINSIA discloses to members and other key stakeholders material information that may affect the organisation from time to time.

FINSIA's website, [finsia.com](https://finsia.com), provides comprehensive and up-to-date information about member benefits and services, professional development events, careers information, FINSIA news and media releases, advocacy initiatives and corporate governance.

### PRINCIPLE 6 RESPECT THE RIGHTS OF SECURITY HOLDERS

- ✔ As a membership organisation, Principle 6 of the CG Recommendations is considered in the context of FINSIA's members. The Board carefully considers the rights of all members of FINSIA and provides members with information about FINSIA's financial situation, performance and governance, major initiatives and future strategy, alliances and partnerships, and policy and advocacy by a range of methods.
- ✔ These methods include communications through the annual report, AJAF, The Standard, CPD Newsletter, CEO Updates, InFinance, the FINSIA website and the FINSIA annual general meeting (AGM).
- ✔ The external auditor is invited to attend the AGM and is available at the AGM to answer questions about the conduct of the audit, and the preparation and content of the auditor's report.
- ✔ Voting members have the right to participate in the AGM and to ask questions and to vote on a poll on the resolutions at the AGM.

### PRINCIPLE 7 RECOGNISE AND MANAGE RISK

- ✔ The Board has established policies on risk oversight and management. In addition, the Chief Executive Officer and the Chief Financial Officer have stated to the Board in writing that:
  - the integrity of financial statements is founded on a system of risk management and internal compliance and control that implements the policies adopted by the Board; and
  - the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
- ✔ FINSIA has adequate risk management and compliance controls in place. The Board receives reports about the strength of the risk management framework and processes.
- ✔ IT infrastructure and services are outsourced to external hosting facilities. In the event of a significant business disruption the outsourced provider has a Business Continuity Plan (BCP) in place for effective recovery procedures that are reviewed on an annual basis.
- ✔ The Audit and Risk Committee reviews the status of risk and compliance. The risk register, which is used to identify, assess, monitor and manage material risk throughout the organisation, is considered by management on a monthly basis and reported to each meeting of the Audit and Risk Committee and the Board.

- ✔ The management and Board has established an operational risk framework and risk register of FINSIA and its controlled entities. This is reviewed regularly at board and board committee meetings to manage operational risk of the business.
- ✔ Fraud control processes and a whistleblower policy are also in place.

### PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

#### Nominations and Remuneration Committee

- ✔ The Nominations and Remuneration Committee (Refer Principle 2 above) has oversight of executive director and senior executive remuneration.
- ✔ FINSIA has an annual salary and bonus review process for all staff. Payments of any salary and bonus amounts are market-driven, performance-based and discretionary.
- ✔ FINSIA operates a variable incentive program, which has delivered an enhanced capability to drive individual employee performance and to reward high performance and further support FINSIA's performance culture.
- ✔ FINSIA's Constitution prohibits remuneration of any director in his or her capacity as a member of the Board, other than any salary payment due to the director as a FINSIA employee.
- ✔ The non-executive directors act in an honorary role and no board fees or remuneration was paid to the non-executive directors in 2021.

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**CHRIS WHITEHEAD**

Chartered Banker F FIN  
FAICD

### CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Chris was appointed FINSIA CEO in September 2016. He has been associated with the Australasian financial services industry for nearly 30 years. Previously, he was CEO of CUA (now Great Southern Bank), Australia's largest customer-owned financial institution, Regional Director, Bank of Scotland and CEO, Bankwest retail bank.

Chris was one of the first Australia-based bankers to achieve Chartered Banker status via the Chartered Banker Institute and FINSIA partnership.

He has extensive experience as a non-executive director including in the payments, wealth management and insurance sectors. He is currently a Non-Executive Director of IMB Bank. Having commenced his career in IT, Chris maintains a keen interest in the ongoing impact of technology on financial services.



**VICTORIA WEEKES**

Chartered Banker SF FIN  
BComm LLB FAICD

### PRESIDENT Appointed 30 July 2019

**BOARD MEMBER** Appointed March 2013  
Member: Audit, Finance, Risk Management and Compliance Committee Member, Board Advisory Committee. Chair: Nominations and Remuneration Committee Member

Victoria is a professional non-executive director with more than 20 years' experience as a senior executive in the financial services sector and 10 years as a non-executive director.

Victoria was appointed as a non-executive director of Bendigo and Adelaide Bank (ASX:BEN) in February 2022 and is a director of Alcidion (ASX:ALC). Victoria is the immediate past Chair of \$45bn Super Fund, OnePath Custodians and recently completed her 5-year term as Chair of NSW Treasury's Audit and Risk Committee. Victoria is Deputy Chair of the ASIC Markets Disciplinary Panel and a member of the Council of the NSW State Library. Victoria was previously a non-executive director of ASX-listed URB Investments (ASX:URB), eTrade and ANZ Trustees.

During her executive career Victoria was a Managing Director at Citigroup Australia and an Executive General Manager at Westpac. Victoria has been a member of FINSIA and its predecessor organisation the Securities Institute since 1996 and is a former member of the NSW Regional Council and former Chair of the Women in FINSIA Committee.



**GRANT CAIRNS**

Chartered Banker F FIN  
BComm M App Fin CA

### VICE PRESIDENT Appointed 20 April 2020

Grant is the Executive General Manager, Business Lending at Commonwealth Bank of Australia with more than 20 years' experience in business banking.

Grant led the Regional and Agribusiness Banking team for five years and was recently appointed to his new role in Business Lending. He has been with the Commonwealth Bank since 2005 leading product, operations and relationship teams in business banking. Prior to joining Commonwealth Bank, Grant was a General Manager with McCarroll Automotive Group and prior to that was a Senior Accountant at KPMG.

He is also a Director of the Australian Business Growth Fund (AGBF) and is both a Chartered Accountant and Chartered Banker. He has also been a member of the CEO Circle since 2012.

Grant Cairns joined the FINSIA Board in early June 2019 and then was appointed as Vice President to the FINSIA Board in April 2020.

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CAMERON FULLER

Chartered Banker F FIN  
BComm CA GAICD

**DIRECTOR** Appointed 29 May 2019  
Member, Audit, Finance, Risk Management and Compliance Committee. Member, Nominations and Remuneration Committee

Cameron is the Chief Financial Officer of Epworth HealthCare, the largest not-for-profit private hospital group in Victoria, which he joined in August 2020. Prior to this, Cameron was the Executive General Manager, Growth Sectors and Specialised Banking of National Australia Bank and was a member the Business and Private Bank (BandPB) Leadership Team, which he joined in October 2016. Cameron is a Director of Very Special Kids which he joined in November 2021.

Cameron commenced at NAB in April 2016 as General Manager, NAB Health. Prior to joining NAB, Cameron was a senior banker at ANZ Institutional for ten years where he led the Diversified Industries sector. Prior to ANZ, Cameron developed strong expertise in the health industry at Mayne Group, where he was for five years, as CFO of Mayne Pharma and as Head of Investor Relations for Mayne Group. Cameron also worked at PMP Limited, then Australia's largest printing and magazine publishing business, for three years as Corporate Development Manager.

Cameron started his career with PwC, where he spent eight years. A Chartered Accountant, Cameron holds a Bachelor of Commerce from Melbourne University, and a Post Graduate Diploma in Finance and Investment from FINSIA. In 2020, Cameron completed the Chartered Banker by Experience program.



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**ALAN BARDWELL**  
SF FIN CA GAICD

**DIRECTOR** Appointed 8 February 2019  
Chair, Audit, Finance, Risk Management and Compliance Committee

Alan is a senior finance, risk and audit executive, with 40 years Australian and global experience in the banking, finance and securities industry. This includes 16 years at Citigroup and 10 years with the Australian Securities Exchange until 2017 where he served as Chief Financial Officer and then Chief Risk Officer. Since 2017, Alan has developed a non-executive director career and, as well as FINSIA, currently serves on the boards of Australian Military Bank and Clearview Life Nominees Limited (a superannuation trustee), and as Chair of Ku-ring-gai Financial Services Limited. Until November 2021 he was Chair of Health Limited (a private Health Insurer).

Alan is also a consultant to advisory group The Risk Board and Chair of the Market Supervision and Compliance Committee that advises the Board of the Sydney Stock Exchange



**PROFESSOR ROBINA XAVIER**  
SF FIN MBUS(RES) PHD  
GAICD FPRIA FQA

**DIRECTOR** Appointed June 2017  
Member, Board Advisory Committee

Robina is the Deputy Vice-Chancellor and Vice President (Education) of QUT. Before her appointment to her current position she was the Executive Dean of the QUT Business School.

Robina is a Director of QUT Advisory Board, QUT Enterprise Holdings, The Brisbane Business School Pty Ltd and the Queensland Academy of Arts and Sciences.

Robina has sat on several association/government/NGO advisory groups and has significant membership body experience as a former National President of the Australian peak industry body, the Public Relations Institute of Australia. She sits on the EQUIS Committee of the European Foundation for Management Development in Brussels.



**HELEN LORIGAN**  
SF FIN BComm GAICD

**DIRECTOR** Appointed 8 February 2019  
Member, Audit, Finance, Risk Management and Compliance Committee  
Member, Board Advisory Committee  
Member, Diversity Advisory Council

Helen is a Managing Partner and Head of the Wealth Sector with Sapien Ventures, a global venture capital firm and is involved in raising capital for investing in online marketplaces and in fintech, Blockchain and SaaS enterprise software companies.

In October 2017, Helen was appointed as Director to the Board of CPA Australia and from 2020 – 2021 served as a member of the Finance Committee of the Board of the SP Jain School of Global Management. In October 2021, Helen was also appointed as Director to the Board of Nimble Australia Pty Ltd.

Helen has served as a Director of FINSIA since February 2019.

Helen has held roles from Chief Executive Officer, Elders Financial Planning and General Manager, Elders Wealth Management to Executive General Management roles at the ANZ Group which included Head of Wealth Strategy and Head of Channel and Segment Marketing. Prior to ANZ, Helen was Chief Manager and Senior Executive, Managed Funds at CBA and General Manager, Superannuation at MLC.

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DAVID  
COX

F FIN  
BComm. (Accounting  
and Finance), CA

**BOARD MEMBER** Appointed 28 May 2020  
Member, Audit, Finance, Risk Management  
and Compliance Committee  
Member, Nominations and Remuneration  
Committee

David has more than 20 years' experience  
in Australia, New York and the Middle East.  
David has a strong knowledge of the financial  
services sector, having worked with a broad  
cross section of the industry, including banks,  
brokers, exchanges, fintechs, leasing companies,  
payment providers, private equity and non-bank  
financiers.

He is also a recognised regulatory expert, having  
advised a range of local and international banks.

David has previously served as a member of the  
Consumer Finance Advisory Group and as Chair  
of the Institutional Markets Council.



CAROLYN  
KIDD

F FIN

**BOARD MEMBER** Appointed June 2021

Carolyn Kidd is the Chief Risk Officer for  
Westpac New Zealand and an experienced  
Financial Services Leader with a strong track-  
record in transformation change, including  
leading culture and regulatory programmes.

With more than 30 years' experience in the  
sector in New Zealand and Australia, she is  
passionate about risk management as a key  
enabler for strategic success and providing the  
best outcomes for customers, communities and  
stakeholders.

She holds a BA from the University of Auckland  
and a Diploma of Banking from Massey  
University.



ANDREW  
MCNEIL

SF FIN BA MIB FGIA FCG

**BOARD MEMBER** Appointed June 2021

Andrew McNeil is a 20-year FINSIA member  
and has over 30 years of diversified financial  
services experience and 20 years of investment  
management experience throughout Australia  
and the United States.

He is founder of the Yarmouth group of  
companies and provides corporate advice to  
middle market financial markets participants  
including AFSL holders and ASX-listed  
companies. His clients include investment  
managers, fintech and proptech companies.

He holds a Graduate Diploma of Applied Finance  
from the Securities Institute of Australia and is a  
former lecturer for the FINSIA Master of Applied  
Finance degree across real estate, investment  
management, strategic management and  
structuring financial products.

He is a foundation corporate partner of the GWS  
Giants and in his spare time Andrew is a rowing  
coach and volunteer surf lifesaver and coached  
rowing internationally on the US, Norwegian and  
Swiss national teams.

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# FINANCIAL SERVICES INSTITUTE OF AUSTRALASIA AND CONTROLLED ENTITIES

## CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### DIRECTORS' REPORT

The directors present their report together with the consolidated financial report of the Financial Services Institute of Australasia (the "Company"), being the Company and its controlled entities (the "Group" or "FINSIA"), for the year ended 31 December 2021 and auditor's report thereon.

#### Directors names

The names of the Group's directors in office during the financial year and until the date of this report are:

#### Victoria Weekes

President (BComm, LLB, FAICD SF Fin, Chartered Banker)

#### Grant Cairns

Vice President (BComm, M App Fin, CA, F Fin, Chartered Banker)

#### Christopher Whitehead

Chief Executive Officer and Managing Director (BSc, FAICD, F Fin, Chartered Banker)

#### Ian Pollari

Director (BComm, MBA, F Fin) – resigned 17 June 2021

#### Alan Bardwell

Director (BA (Hon) Economics (Accounting), CA, SF Fin, GAICD)

#### Robina Xavier

Director (FPRIA, GAICD, SF Fin)

#### Helen Lorigan

Director (BComm, GAICD, SF Fin)

#### Cameron Fuller

Director (BComm, CA, GAICD, F Fin)

#### David Cox

Director (BComm, CA, F Fin)

#### Carolyn Kidd

Director (F Fin) – appointed 17 June 2021

#### Andrew McNeil

Director (BA, MIB, SF Fin, FCG, FGIA) – appointed 17 June 2021

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

#### Principal activities

The principal activity of the Group during the course of the financial year was supporting the professionalisation of the financial services industry through educational qualifications, and delivering member services through professional development, networking events, information services, mentoring and policy research.

No significant change in the nature of these activities occurred during the year.

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# DIRECTORS' REPORT CONTINUED

## Financial results

The loss of the Group for the year after providing for income tax amounted to \$1,540,426 (2020: \$1,181,848).

The objective of the Group is to be self-financing and to ensure the maintenance of high standards of service and professionalism amongst its members and in financial services more broadly.

The Company is a company limited by guarantee and no dividends are payable.

## Review of operations

The Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

During the year the Group continued its focus on investing in and building professional education qualification programs, while actively managing cost and continuing quality member service delivery.

In 2021 Group revenue was generated primarily from education revenue of \$4,720,917 (2020: \$4,844,536) associated with educational commitments by various financial institutions. Member subscription fees of \$3,008,088 (2020: \$2,389,891) increased in 2021 reflecting the impact of membership income associated with the additional courses undertaken by colleagues within the financial institutions who used FINSIA's educational services.

FINSIA's total expenses increased to \$9,677,683 (2020: \$9,058,774) reflecting the additional costs associated with increased sales of educational courses and associated product costs (such as examination and learning platform costs). Also, FINSIA continued its investment in its digital strategy and educational programs to support an increasing educational content required from different financial institutions and other organisations.

Despite increasing expenses across various expense lines associated with its membership and educational growth strategies, FINSIA retains its focus on disciplined cost control to ensure the underlying operations remain efficient and quality member service delivery is maintained.

Reflecting prevailing low interest rate market conditions, FINSIA's investment income of \$283,929 (2020: \$395,932), was lower than the prior year due mainly to a lower distribution received from the managed funds being held by the Group.

With the cost growth associated with new educational programs and digital investment, the net loss for the year of \$1,540,426 (2020: \$1,181,848) increased by 30% but met the budgeted result approved by Board at the start of 2021.

The Group measures its performance in relation to a wide range of quantitative and qualitative key performance indicators (KPIs) including but not limited to net profit/(loss), various revenue, cost and margin KPIs, member retention and acquisition, member satisfaction and engagement, attendance and satisfaction at professional development programs, the quality of FINSIA publications, policy submission and campaigns. From a professional education and qualifications perspective, the Group measures its performance primarily on the uptake of qualifications and programs including enrolments and successful completion, and major contracts secured with major financial service providers and other organisations, and support from regulators.

## Significant changes in state of affairs

There were no other significant changes in the Group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

FINSIA faced the challenge of COVID-19 as did organisations all over the world. Working from home became normal and dealing with the challenges associated with lockdowns across Australia was successfully delivered.

## Significant events after year end

Subsequent to year-end, the Board of Directors have appointed Yasser El-Ansary as Chief Executive Officer and Managing Director effective late-April 2022.

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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

# DIRECTORS' REPORT CONTINUED

## Likely developments

There are no likely developments in the operations of the Group which would adversely affect the future operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years. The professional educational program development and delivery commitments secured in 2021 provide the platform to support and grow FINSIA membership significantly across the foreseeable future, and to expand the suite of professional education offerings more broadly across the financial services sector.

## Indemnification and insurance of directors

During the financial year, the Group paid a premium in respect of a contract insuring the directors, company secretary and executive officers of the Group and of any related body corporate against a liability incurred as such a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred by such an officer or auditor.

## Indemnification of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor or officer of the Group.

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## DIRECTORS' REPORT CONTINUED

### Meetings of Directors

The directors' attendance at meetings of the Company during the year is set out below.

Directors	Board Meetings	
	Number attended	Number eligible to attend
<b>Victoria Weekes</b>	10	10
<b>Grant Cairns</b>	9	10
<b>Christopher Whitehead</b>	10	10
<b>Ian Pollari</b>	5	6
<b>Alan Bardwell</b>	8	10
<b>Robina Xavier</b>	8	10
<b>Helen Lorigan</b>	9	10
<b>Cameron Fuller</b>	10	10
<b>David Cox</b>	10	10
<b>Carolyn Kidd</b>	2	4
<b>Andrew McNeil</b>	4	4

### Liabilities of members

The liability of the members of the Company is limited. Every member undertakes to contribute to the assets in the event of it being wound up whilst they are a member or within one year after they cease to be a member. The contribution is for payment of the debts and liabilities contracted before the time at which they cease to be a member, and the costs, charges and expenses of winding up and for an adjustment to the rights of contributories among themselves. The amount of contribution is limited to a maximum of two dollars per member.

### Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the board of directors.

Director: 

Victoria Weekes SF FIN Chartered Banker

Dated this 4th day of April 2022

# AUDITOR'S INDEPENDENCE DECLARATION



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Sydney NSW 2000

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Sydney NSW 2001

p. +61 2 9221 2099  
e. [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

## Auditor's Independence Declaration To the Board of Directors of Financial Services Institute of Australasia ABN: 96 066 027 389

In relation to the independent audit for the year ended 31 December 2021, to the best of my knowledge and belief there have been:

- i. no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- ii. no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Financial Services Institute of Australasia and the entities it controlled during the year.

Scott Whiddett  
Partner

Pitcher Partners  
Sydney

4 April 2022

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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# DIRECTORS' DECLARATION

The directors of the company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 7 – 29, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2021 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:  \_\_\_\_\_

Victoria Weekes SF FIN Chartered Banker

Dated this 4th day of April 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	Note	2021 \$	2020 \$
<b>Revenue and other income</b>			
Member fees		3,008,088	2,389,891
Membership services		55,345	45,498
Education revenue		4,720,917	4,844,536
Other revenue		62,517	211,487
Interest income		2,168	5,498
Trust distribution		283,929	395,932
Changes in fair value of investments		3,994	(15,916)
		<b>8,136,958</b>	<b>7,876,926</b>
<b>Expenses</b>			
Staff expenses		(3,958,675)	(3,989,402)
Consultants and contractor expenses		(506,869)	(1,301,636)
Premises expenses		(174,215)	(160,347)
Course and conference expenses		(44,253)	(30,155)
Education expenses		(2,427,424)	(1,451,478)
Promotion and advertising expense		(146,437)	(227,631)
Policy and publication expenses		(6,726)	(16,143)
IT and telecommunication expenses		(932,748)	(636,245)
Travel and accommodation		(71,640)	(60,955)
Printing, postage and stationery		(33,133)	(19,480)
Depreciation and amortisation expense	14(b)	(940,670)	(850,785)
Finance costs		(28,559)	(40,785)
Other expenses		(406,334)	(273,732)
		<b>(9,677,683)</b>	<b>(9,058,774)</b>
<b>Profit/(loss) before income tax expense</b>		<b>(1,540,725)</b>	<b>(1,181,848)</b>
Income tax benefit		299	-
<b>Net profit/(loss) from continuing operations</b>		<b>(1,540,426)</b>	<b>(1,181,848)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Foreign currency translation differences		(393)	(8,943)
<b>Other comprehensive income for the year</b>		<b>(393)</b>	<b>(8,943)</b>
<b>Total comprehensive income</b>		<b>(1,540,819)</b>	<b>(1,190,791)</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	4	1,789,795	1,903,437
Receivables	5	553,757	3,079,664
Interest bearing deposits	6	203,418	346,521
Prepayments		168,102	561,725
<b>Total current assets</b>		<b>2,715,072</b>	<b>5,891,347</b>
<b>Non-current assets</b>			
Other financial assets	6	7,288,451	8,298,229
Intangible assets	8	3,238,416	2,267,597
Lease assets	9	378,961	652,911
Plant and equipment	7	88,672	92,514
Other deposits		10,280	10,280
<b>Total non-current assets</b>		<b>11,004,780</b>	<b>11,321,531</b>
<b>Total assets</b>		<b>13,719,852</b>	<b>17,212,878</b>
<b>Current liabilities</b>			
Payables	10	599,568	2,025,239
Lease liabilities	9	310,310	283,620
Provisions	11	168,114	178,533
Members' subscriptions received in advance		1,463,503	1,633,765
<b>Total current liabilities</b>		<b>2,501,495</b>	<b>4,121,157</b>
<b>Non-current liabilities</b>			
Lease liabilities	9	221,428	532,981
Provisions	11	47,424	68,416
<b>Total non-current liabilities</b>		<b>268,852</b>	<b>601,397</b>
<b>Total liabilities</b>		<b>2,770,347</b>	<b>4,722,554</b>
<b>Net assets</b>		<b>10,949,505</b>	<b>12,490,324</b>
<b>Equity</b>			
Foreign currency translation reserve	12	(30,780)	(30,387)
Retained earnings	13	10,980,285	12,520,711
<b>Total equity</b>		<b>10,949,505</b>	<b>12,490,324</b>

The accompanying notes form part of these financial statements.

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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Reserves \$	Retained earnings \$	Total equity \$
<b>Consolidated</b>			
<b>Balance as at 1 January 2020</b>	(21,444)	13,702,559	13,681,115
Loss for the year	-	(1,181,848)	(1,181,848)
Other comprehensive income for the year	(8,943)	-	(8,943)
<b>Total comprehensive loss for the year</b>	<b>(8,943)</b>	<b>(1,181,848)</b>	<b>(1,190,791)</b>
<b>Balance as at 31 December 2020</b>	<b>(30,387)</b>	<b>12,520,711</b>	<b>12,490,324</b>
<b>Balance as at 1 January 2021</b>	<b>(30,387)</b>	<b>12,520,711</b>	<b>12,490,324</b>
Loss for the year	-	(1,540,426)	(1,540,426)
Other comprehensive loss for the year	(393)	-	(393)
<b>Total comprehensive loss for the year</b>	<b>(393)</b>	<b>(1,540,426)</b>	<b>(1,540,819)</b>
<b>Balance as at 31 December 2021</b>	<b>(30,780)</b>	<b>10,980,285</b>	<b>10,949,505</b>

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# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		10,202,512	4,453,943
Payments to suppliers and employees		(9,836,478)	(5,982,214)
Trust distributions received		283,929	395,932
Interest received		2,168	5,498
Income tax refund		299	-
<b>Net cash provided by/(used in) operating activities</b>	<b>14(b)</b>	<b>652,430</b>	<b>(1,126,841)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of investments		1,152,881	2,972,875
Payment for plant and equipment		(47,474)	(68,466)
Payment for investments		-	(148,881)
Payment for capitalised intangible assets		(1,586,223)	(1,647,935)
<b>Net cash (used in)/provided by investing activities</b>		<b>(480,816)</b>	<b>1,107,593</b>
<b>Cash flow from financing activities</b>			
Principal portion of lease payments		(284,863)	(260,128)
<b>Net cash used in financing activities</b>		<b>(284,863)</b>	<b>(260,128)</b>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		1,903,437	2,191,756
Net decrease in cash held		(113,249)	(279,376)
Foreign exchange differences on cash holdings		(393)	(8,943)
<b>Cash at end of financial year</b>	<b>14(a)</b>	<b>1,789,795</b>	<b>1,903,437</b>

The accompanying notes form part of these financial statements.

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# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Financial Services Institute of Australasia, FINSIA Education and FINSIA NZ Limited (together referred to as the 'Group'). Financial Services Institute of Australasia is a company limited by guarantee, incorporated and domiciled in Australia. Financial Services Institute of Australasia is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (a) Basis of preparation of the financial report

#### Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

#### Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

### (b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de-recognised from the date that control ceases.

### c) Revenue from contracts with customers

The Group derives revenue from supporting the professionalisation of the financial services industry through education qualifications, professional development, networking events, information services, mentoring, and policy research. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

#### Membership fees

Annual membership subscriptions are recognised as revenue, on a straight-line basis, over the period of the membership, which management has determined is aligned with the performance obligation being satisfied overtime. The date of payment of the initial annual membership subscriptions runs from the date of joining for 12 months and is not refundable. Subscriptions relating to periods beyond the current financial year are shown in the statement of financial position as members' subscriptions in advance.

#### Membership services and other services

Revenue from rendering of a service is recognised upon delivery of the service to the members.

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## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### Education income

Education income is recognised at a point in time upon enrolment of the student as this is the point at which the student takes control of the education module and the entities' performance obligations are satisfied. At the point of enrolment access, the module is transferred, and the customer controls the right to access that module in its complete form at that date.

### (d) Other revenue and other income

#### Trust distributions

Trust distribution revenue is recognised when the right to receive a distribution has been established.

#### Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

### (e) Employee benefits

#### (i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before 12 months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

#### (ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before 12 months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at

rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

#### (iii) Post-employment benefits

Obligations for contributions to defined contribution pension plan are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plans that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

### (f) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (g) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (h) Foreign currency transactions and balances

#### Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

#### Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

Subsidiaries that have a functional currency different from the presentation currency of the Group are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

### (i) Financial instruments

#### (i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

#### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are recognised at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, interest-bearing deposits and trade and other receivables.

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## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances held by financial institutions which are regulated. Cash and cash equivalents in the consolidated statement of financial position comprises of cash at banks and on hand and short-term deposits with maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### Interest bearing deposits

Interest bearing deposits comprise fixed term deposits with original maturities of 12 months or less that are not otherwise classified as cash or cash equivalents. Interest bearing deposits are held by financial institutions which are regulated.

### Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has

increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### (ii) Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classified non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (j) Intangible assets

#### Separately acquired intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

#### Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The effective life of the intangible assets takes into account the estimated period in which any course material the company has considered to remain

relevant to the industry as well as factoring in any contractual agreement with vendors and/or educational partners.

#### Depreciation

The depreciable amount of intangibles assets is depreciated over their estimated useful lives commencing from the time the asset is available for use, consistent with the estimated consumption of the economic benefits embodied in the asset. Educational course content is depreciated over a period of 5 years.

#### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

### (k) Impairment of non-financial assets

Intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash generating unit).

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

### (l) Plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

#### Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

#### Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Useful lives	Depreciation basis
Leasehold improvements at cost	1-6 years	Straight line
Office equipment at cost	3 years	Straight line

### (m) Leases

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

#### Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

#### Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

### Leases of 12 months or less and leases of low value assets

Lease payments made in relation to leases of 12 months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

### (n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### (o) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business for a period of at least 12 months from the date these consolidated financial statements are approved. The directors note the following conditions which they have considered in assessing the appropriateness of the going concern assumption:

The Group incurred a loss from ordinary activities of \$1,540,426 during the year ended 31 December 2021 (2020: \$1,181,848), generated net cash inflows from operations of \$652,430 (2020: outflow of \$1,126,841) and had net current assets of \$213,578 (2020: \$1,770,190) at year end.

Financial Services Institute of Australia (the "Company") derived a loss before income tax of \$576,563 (2020: \$994,746) and had a deficiency in current liabilities over current assets as at 31 December 2021 of \$21,276,039 (2020: \$20,919,688).

The continuation of the Company as going concern is dependent on FINSIA Education, a controlled entity of the Financial Institute of Australasia, providing continued financial support to the Company.

FINSIA Education has issued a letter of support to its parent company, Financial Services Institute of Australasia, committing to provide continued financial support to enable it to continue to operate and meet its obligations as and when they fall due and has agreed to not call any amounts due to FINSIA Education for at least 18 months from the date of the letter. As a result, the financial statements have been prepared on a going concern basis.

### (p) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

### (q) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue.

The amounts recognised in the financial statements reflect events after the reporting period that provide evidence of conditions that existed at the reporting date. Whereas, events after the reporting period that are indicative of conditions that arose after the reporting period (i.e., which did not exist at the reporting date) are excluded from the determination of the amounts recognised in the financial statements.

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## NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

### (a) Impairment of non-financial assets other than goodwill

In the application of the Group's accounting policies, which are described in Note 3, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

#### Recoverability of intangible assets

During the year, the directors have considered the recoverability of the Group's intangible assets which are comprised of development costs relating to the Group's education assets. These intangible assets are included in the consolidated statement of financial position at 31 December 2021 with a carrying amount of \$3,238,416 (2020: \$2,267,597).

The intangible assets are expected to continue to provide economic benefits to the Group through ongoing revenue generation as well as various efforts aimed at developing and tailoring new membership offerings to attract new members while retaining existing members. The directors are confident that the carrying amount of the assets will be recovered in full.

### NOTE 3: LIABILITIES OF MEMBERS

The liability of the members of the Group is limited. Every member undertakes to contribute to the assets in the event of it being wound up whilst they are a member or within one year after they cease to be a member. The contribution is for payment of the debts and liabilities contracted before the time at which they cease to be a member, and the costs, charges and expenses of winding up and for an adjustment to the rights of contributories among themselves. The amount of contribution is limited to a maximum of two dollars per member.

2021  
\$

2020  
\$

### NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	1,789,795	1,903,437
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### NOTE 5: RECEIVABLES

#### CURRENT

Receivables from contracts with customers	149,242	3,078,603
Other receivables	404,515	1,061
	<b>553,757</b>	<b>3,079,664</b>

### NOTE 6: OTHER FINANCIAL ASSETS

#### CURRENT

##### Financial assets at amortised cost

Term deposits	203,418	346,521
---------------	---------	---------

#### NON CURRENT

##### Financial assets at fair value through profit or loss

Managed funds	7,288,451	8,298,229
---------------	-----------	-----------

2021  
\$

2020  
\$

### NOTE 7: PLANT AND EQUIPMENT

<b>Leasehold improvements</b>		
At cost	46,143	46,143
Accumulated depreciation	(31,209)	(21,980)
	14,934	24,163
<b>Plant and equipment</b>		
Office equipment at cost	188,658	141,182
Accumulated depreciation	(114,920)	(72,831)
	73,738	68,351
<b>Total plant and equipment</b>	<b>88,672</b>	<b>92,514</b>

#### (a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<b>Leasehold improvements</b>		
Opening carrying amount	24,163	32,927
Depreciation expense	(9,229)	(8,764)
<b>Closing carrying amount</b>	<b>14,934</b>	<b>24,163</b>
<b>Office equipment</b>		
Opening carrying amount	68,351	45,925
Additions	47,474	68,466
Depreciation expense	(42,087)	(46,040)
<b>Closing carrying amount</b>	<b>73,738</b>	<b>68,351</b>

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	2021 \$	2020 \$
<b>NOTE 8: INTANGIBLE ASSETS</b>		
Software at cost	2,527,677	2,527,677
Accumulated amortisation and impairment	(2,426,070)	(2,381,058)
	101,607	146,619
Educational course content at cost	4,197,768	2,611,546
Accumulated amortisation and impairment	(1,060,959)	(490,568)
	3,136,809	2,120,978
<b>Total intangible assets</b>	<b>3,238,416</b>	<b>2,267,597</b>

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year.

<b>Software at cost</b>		
Opening balance	146,619	280,803
Additions	-	4,950
Amortisation expense	(45,012)	(139,134)
<b>Closing balance</b>	<b>101,607</b>	<b>146,619</b>
<b>Educational course content at cost</b>		
Opening balance	2,120,978	871,424
Additions	1,586,223	1,595,132
Amortisation expense	(570,392)	(345,578)
<b>Closing balance</b>	<b>3,136,809</b>	<b>2,120,978</b>

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. The company carries out an impairment review of its intangible assets when a change in circumstances or situation indicates that those assets may have suffered an impairment loss.

Amortisation is recognised in profit or loss on a straight-line basis over the asset's estimated useful life commencing from the time the asset is held ready for use. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes being accounted for on a prospective basis.

	2021 \$	2020 \$
<b>NOTE 9: LEASE ASSETS AND LEASE LIABILITIES</b>		

(a) Lease assets

<b>Building</b>		
At cost	1,179,743	1,179,743
Accumulated depreciation	(800,782)	(526,832)
Total carrying amount of lease assets	378,961	652,911

(b) Lease liabilities

<b>CURRENT</b>		
Building lease	310,310	283,620
<b>NON CURRENT</b>		
Building lease	221,428	532,981
Total carrying amount of lease liabilities	531,738	816,601

(c) Lease expenses and cash flows

Interest expense on lease liabilities	28,559	40,785
Depreciation expense on lease assets	273,950	263,416
Cash outflow in relation to leases	313,422	152,723

	2021 \$	2020 \$
<b>NOTE 10: PAYABLES</b>		
<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade creditors	79,961	883,009
Sundry creditors and accruals	479,607	1,142,230
	<b>559,568</b>	<b>2,025,239</b>

**NOTE 11: PROVISIONS**

<b>CURRENT</b>		
Employee benefits – annual leave (a)	141,439	166,536
Employee benefits – long service leave	26,675	11,997
	<b>168,114</b>	<b>178,533</b>
<b>NON CURRENT</b>		
Employee benefits – long service leave (a)	47,424	68,416
<b>(a) Aggregate employee benefits liability</b>	<b>215,538</b>	<b>246,949</b>

**NOTE 12: RESERVES**

Foreign currency translation reserve	(30,780)	(30,387)
	<b>(30,780)</b>	<b>(30,387)</b>

**NOTE 13: RETAINED EARNINGS**

Retained earnings at beginning of year	12,520,711	13,702,559
Net loss	(1,540,426)	(1,181,848)
	<b>10,980,285</b>	<b>12,520,711</b>

	2021 \$	2020 \$
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**NOTE 14: CASH FLOW INFORMATION**

## (a) Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

Cash at bank	1,789,795	1,903,437
	<b>1,789,795</b>	<b>1,903,437</b>

## (b) Reconciliation of cash flow from operations with profit after income tax

Loss from ordinary activities after income tax	(1,540,426)	(1,181,848)
<b>Adjustments and non-cash items</b>		
Depreciation and amortisation	940,670	850,785
Net gain on disposal of plant and equipment	-	(56,701)
Finance costs for lease liabilities	28,559	40,785
Fair value adjustment to financial instruments	(3,994)	15,916
Release of overaccrual from previous periods	(24,563)	-
<b>Changes in operating assets and liabilities</b>		
Decrease/(increase) in receivables	2,893,134	(3,021,553)
Decrease in other assets	393,623	26,756
(Decrease)/increase in payables	(1,832,900)	1,734,112
(Decrease)/increase in membership subscriptions in advance	(170,262)	382,539
(Decrease)/increase in provisions	(31,411)	82,368
<b>Cash flows from operating activities</b>	<b>652,430</b>	<b>(1,126,841)</b>

	2021 \$	2020 \$
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## NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

<b>Total compensation received by key management personnel</b>	1,337,287	1,638,424
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On 12 November 2021, Christopher Whitehead, Chief Executive Officer and Managing Director, resigned from the role effective six months from the date of resignation.

## NOTE 16: INTERESTS IN SUBSIDIARIES

### (a) Subsidiaries

The following are the Group's significant subsidiaries:

Subsidiaries of FINSIA	Country of incorporation	Ownership interest held by the Group	
		2021 %	2020 %
FINSIA NZ Ltd	Australia	100	100

### (b) Other controlled entities

The Group fully controlled FINSIA Education for the years ended 31 December 2021 and 2020. Control is based on members interests which are held solely by the Directors of FINSIA who are committed to act in the interests of FINSIA when required. FINSIA Education is incorporated in Australia.

## NOTE 17: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Financial Services Institute of Australasia, financial statements:

### (a) Summarised statement of financial position

	2021 \$	2020 \$
<b>Assets</b>		
Current assets	528,398	1,719,608
Non-current assets	761,532	1,271,993
<b>Total assets</b>	<b>1,289,930</b>	<b>2,991,601</b>
<b>Liabilities</b>		
Current liabilities	21,804,437	22,639,296
Non-current liabilities	238,583	555,622
<b>Total liabilities</b>	<b>22,043,020</b>	<b>23,194,918</b>
<b>Net assets</b>	<b>(20,753,090)</b>	<b>(20,203,317)</b>
<b>Equity</b>		
Retained earnings	(20,848,215)	(20,298,972)
Reserves	95,125	95,655
<b>Total equity</b>	<b>(20,753,090)</b>	<b>(20,203,317)</b>

### (b) Summarised statement of comprehensive income

Loss for the year	(576,563)	(994,746)
Other comprehensive income for the year	(530)	242
<b>Total comprehensive income for the year</b>	<b>(577,093)</b>	<b>(994,504)</b>

## NOTE 17: PARENT ENTITY DETAILS CONTINUED

### (c) Intercompany balances

Non-current assets include a loan to FINSIA NZ Limited at 31 December 2021 of \$293,897 (2020: \$526,568), net of impairment of \$251,674 (2020: \$nil). FINSIA has issued a letter of support to FINSIA NZ committing to provide continued financial support to enable it to continue to operate and meet its obligations as and when they fall due and has agreed to not call any amounts due to FINSIA for at least 18 months from the date of the letter.

Current liabilities include a loan from FINSIA Education at 31 December 2021 of \$19,706,153 (2020: \$20,184,838).

## NOTE 18: CONTINGENT LIABILITIES

The Group has issued bank guarantees amounting to \$192,257 (2020: \$320,201) in favour of landlords as security for office leases.

## NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year-end, the Board of Directors have appointed Yasser El-Ansary as Chief Executive Officer and Managing Director effective late-April 2022.

Other than the above, there has been no matter or circumstance, which has arisen since 31 December 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2021, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2021, of the Group.

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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL SERVICES INSTITUTE OF AUSTRALASIA



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**Independent Auditor's Report**  
**To the Members of Financial Services Institute of Australasia**  
**ABN 96 066 027 389**

## Report on the Financial Report

### Opinion

We have audited the financial report of Financial Services Institute of Australasia and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors declaration.

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

- a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### Basis for Opinion

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

We 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.

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney 30

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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors Report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent Auditor's Report  
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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink, appearing to read "S Whiddett".

Scott Whiddett  
Partner

A handwritten signature in black ink, appearing to read "Pitcher Partners".

Pitcher Partners  
Sydney

4 April 2022

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