

# 2021 ANNUAL REPORT

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Stockbrokers and  
Financial Advisers  
Association



A low-angle, upward-looking photograph of modern glass skyscrapers. The buildings' facades, composed of numerous glass panels and dark structural frames, converge towards the top of the frame, creating a strong sense of height and architectural scale. The sky visible between the building's glass walls is a clear, pale blue. The overall color palette is dominated by various shades of blue and the reflective surfaces of the glass.

# PURPOSE

To support and promote the value of the stockbroking  
and investment advice industry to serve the interests of  
Australian investors





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# 2021 IN NUMBERS



868

PRACTITIONER MEMBERS

30

PRINCIPAL MEMBERS

8,000

TOTAL MEMBERS  
REPRESENTED  
THROUGH PRINCIPAL  
MEMBERS



300

2020 VIRTUAL  
CONFERENCE DELEGATES



428

2021 HYBRID  
CONFERENCE DELEGATES



31

NUMBER OF  
WEBINARS



65.7

CPD HOURS PROVIDED  
TO MEMBERS



19

NUMBER OF  
SUBMISSIONS



63

NUMBER OF  
GOVERNMENT AND  
STAKEHOLDER MEETINGS

# STRATEGY

Our 2020–2023 Strategy guided us through a challenging 2020, allowing us to focus strongly on our purpose, values and goals while also being flexible and nimble as required.

## A strong voice

We will continue to advocate strongly for recognition of the need to move away from a 'one-size-fits-all' approach to regulatory reform of the financial advice sector as well as the value of our industry to the Australian economy through its support of Australian investors and businesses to generate wealth. We continue to build relationships with the government, opposition and regulators. We focus on emphasising that our members are key stakeholders of all market exchanges.

## Serving members

We continue to build an enhanced member value proposition. Our

expanded education offering aims to provide a professional development 'one-stop shop' for our members. We provide an accreditation program for the industry, which ensures that high standards are maintained. We ensure members can interact with ASX, regulators and Treasury at dedicated meetings. The strong voice that we offer members means they have input into regulatory reform proposals.

## Professional community

We will continue to advocate for the importance of individual professional membership to reflect the proud professional history of stockbrokers and investment advisers. We ensure that our members have opportunities to learn

from each other and build consistent, sound practices across the industry. We engage with our members and utilise member data and expertise to raise awareness of the value our profession adds to the Australian economy.

## Communicate

We engage with stakeholders to champion who we are and what we do. We will build on the upgraded CRM and new website to deliver member value and continue to strengthen our cyber security. We will introduce new communications to keep members informed.

OUR PURPOSE	To support and promote the value of the stockbroking and investment advice industry to service the interests of Australian investors				
	STRONG VOICE	BRAND AND PROFILE	EDUCATION	ENHANCED MEMBER VALUE	COMMUNICATE
OUR GOALS	To extend SAFAA's engagement and influence with government, regulators and stakeholders	To increase awareness amongst the community, government and regulators of who we are, what we do and the value we add	To educate the profession to build skills and knowledge	To promote the value of professional association membership to all investment and wealth advisers	Communicate to members and stakeholders to enhance connection, community and value
OUR VALUES	KNOWLEDGE	EXPERTISE	PROFESSIONALISM	INTEGRITY	

# CHAIRMAN & CEO REPORT

The ongoing impact of COVID has generated a range of challenges for the Association and its members.

Our members have ensured the stability of markets and supported clients admirably at a time of extraordinary uncertainty. However, without a doubt, while the industry has performed exceptionally throughout the year in terms of client service, the regulatory environment remains a frustration for all.

Likewise, the Association has proved itself to be adaptable, responsive and resilient in navigating the challenges of the pandemic. A key focus has been to enhance the member value proposition through sustained advocacy and expanded professional development offerings, which has been achieved.

## Advocacy

SAFAA has advocated unceasingly for recognition by the government, Treasury and regulators that the 'one-size-fits-all' approach to regulatory reform of the financial advice sector has had an extremely detrimental impact on our industry, which in turn will have a negative impact on access to quality investment advice by Australians.

The focus of the legislation setting the professional and educational standards for the provision of financial advice appears to have been the result of the poor behaviour of some of the

institutionally-owned financial planning groups. However, the initial drafting of the legislation created a 'one-size-fits-all' regulatory framework by capturing accountants, insurance and risk advisers, as well as stockbrokers and investment advisers.

Once the legislation was in place, the unfortunate extension to a broad range of different advice services was compounded by the appointment of the Board of FASEA, which focused solely on the financial planning sector. Their focus led to exam and education requirements that in turn took a 'one-size-fits-all' approach, rather than requirements tailored to different advice services.

This approach has caused significant stress to our members, as well as other advice providers. This model does not factor in consumer preferences or take account of the role that our profession has played in making an incredible contribution to Australians' economic strength, not only in terms of personal wealth creation, but also in the all-important equity formation for Australian companies.

Our advocacy generated some welcome results, such as recognition of our profession as essential services during lockdowns and the government's decision to disband FASEA and extend the deadline for completion of the FASEA exam. However, engagement with FASEA advocating for tailored requirements to ensure better outcomes for Australian retail investors could not shift its narrow focus. The opposition is now on public record calling for an inquiry into FASEA, which



BRIAN SHEAHAN MSAFAA  
Chairman, SAFAA

has overseen a reduction in the number of advisers from 28,017 in 2019 to 19,345 in 2021 — a 30% loss.

Challenges remain, even with the winding-up of FASEA, as the FASEA-imposed educational qualifications remain in place. Most of our member firms employ financial planners, who work hand-in-hand with our members for the benefit of retail clients. We support the financial planning educational qualifications for this cohort. However, the FASEA focus narrows the scope of recruitment for member firms from traditional degrees in commerce, finance, economics and business. With the disbanding of FASEA, we hope that Treasury will have a greater understanding of the need to ensure that educational requirements are geared to specialisations, to ensure that retail investors can access the quality advice they need.

SAFAA successfully argued for a pause in Royal Commission regulatory reform in 2020. Unfortunately, final legislation has shown to be largely unresponsive to detailed, evidence-driven submissions and discussions on the new framework. Too often our industry



feels that its solution-driven, expert input into public policy is not taken into account, resulting in legislative change that is complex and costly to implement and frequently not sought by clients.

The SAFAA team continues to work tirelessly on behalf of members to restore some common sense to the regulatory framework. While this has been extremely challenging over the past few years, the Board and management of SAFAA do not resile from the challenge.

## Membership

Amalgamations in the industry saw a reduction in the number of Principal members, while one new organisational member joined this past financial year. Practitioner membership declined after some years of growth, as experienced advisers moved to retirement or changed their practice orientation. The change in how financial (tax) advisers are regulated is likely to increase the pressure on Practitioner membership in the coming year.

We will work with our Principal members to champion Practitioner membership of SAFAA, so that we can demonstrate to the government, the opposition and regulators the professional mindset that has operated in our industry for a very long time.

## Education

SAFAA unexpectedly held two conferences in the last financial year. With strong participation by our members and sponsors, SAFAA overcame the uncertainty surrounding

events during a pandemic. We also introduced free webinars for our members in 2020, allowing us to help members meet the majority of their CPD requirements through our events.

Our RTO withdrew from partnership with SAFAA during the year, not because of concerns with the quality of our Professional Program, but due to internal requirements. In bringing the program in-house, SAFAA demonstrated its capacity to administer and deliver the program from enrolment to online exam. We have partnered with a new RTO so that we can continue to deliver bespoke industry training.

## Financial health

Faced with the challenges of ongoing lockdowns, while the Association pulled back from the deficit of the previous financial year, from a profit point of view SAFAA achieved a steadying result. The return to profitability this year is due primarily to the Association holding two conferences in the financial year, given the postponed May 2020 conference was held in August 2020 and the 2021 conference was held in May, as usual. The Association will face further financial challenges in the coming year. However, the Association has a strong balance sheet and asset base that will assist it to manage those ongoing challenges.

## Operations

SAFAA upgraded its CRM and refreshed the website, resulting in enhanced functionality to support member services and a better member experience. A restructure saw support



JUDITH FOX  
CEO, SAFAA

of our CRM and CMS move in-house. We also strengthened our cyber security with the implementation of multi-factor authentication.

## Thank you

Our thanks go to our members who have done so much to support Australian businesses and investors in difficult times, as well as supporting the Association to ensure we can provide a strong voice for our members and professional development geared to their needs. Our thanks also go to our hardworking staff who made sacrifices in terms of time and salary to keep the business sustainable in the uncharted territory to which we were exposed during the pandemic. We also thank our volunteer members who contribute so greatly through our committees and working groups.

A handwritten signature in black ink, appearing to read 'B. Sheahan'.

Brian Sheahan  
Chairman

A handwritten signature in black ink, appearing to read 'J. Fox'.

Judith Fox  
CEO

# ADVOCACY

The new financial year commenced while much of Australia was in lockdown. Our strategic priorities were geared to supporting our members as they managed market volatility, increased client interaction and working remotely. The first half of 2021 was also a year of significant legislative change as reforms that were postponed in 2020 recommenced.

## FASEA

SAFAA worked hard to secure crossbench and opposition support of the bill in 2020 extending the deadline for completion of the FASEA exam and education requirements.

We advocated for a tailored approach to the FASEA exam and education requirements, with a number of roundtables held with both the FASEA CEO and a FASEA Board member and the heads of member firms. Regrettably, FASEA was unwilling to remove its financial planning lens from its decision-making process, despite clear evidence that the 'one-size-fits-all' approach is not targeted well at our industry. SAFAA therefore welcomed the government's announcement that it would disband FASEA, transferring professional standard setting to Treasury, under Ministerial authority, and administration of the exam to ASIC.

SAFAA also advocated for advisers who had failed the exam — despite significant study and preparation — to be provided with another opportunity to sit the exam in 2022. We welcomed the extended deadline — subject to strict conditions — announced in late June by the government as well as the proposed waiver of the three-month rule to allow advisers who fail the September exam to sit the November exam.

SAFAA has spent significant effort in pointing out the need for revision of Standard 3 in the FASEA Code of Ethics and removal of Standard 6, both of which conflict with the law. We were heartened to hear that FASEA will consult on Standard 3 before it is disbanded.

SAFAA appeared before the Senate Standing Committee on Economics to discuss the challenges posed by FASEA to our industry.

## The negative consequences of the 'one-size-fits-all' approach

A key strategic priority is to explain that stockbrokers and investment advisers provide a different service from financial planners. SAFAA continues to advocate for recognition that the 'one-size-fits-all' approach is not in clients' interests. Consumers want different advice for different needs and the regulatory environment needs to accommodate consumer preferences and requirements.

We strongly support the financial planning profession and educational qualifications to enter it. We are advocating for recognition that the educational qualifications best suited to the stockbroking and investment advice industry are degrees such as commerce, economics, finance and business. All of these meet the legislation's requirement of a 'degree equivalent'.

Our aim is to ensure that any recommendations for regulatory reform accommodate the different forms of financial advice available to meet differing client needs at different times.

## Value of our industry

Another strategic priority is to increase an understanding of the value of our





industry to the economy, investors and Australian businesses through the use of member data. We conducted a survey of Principal members early in 2021 (we provide more detail in the section on Our membership on page 12). We utilised the data shown below from a cross-section of our Principal members in our advocacy.

opposition to argue that reforms aimed at other sectors are not necessarily suited to our industry. SAFAA continues to advocate for a more nuanced approach, particularly in relation to the compensation scheme of last resort, given that our industry already has the National Guarantee Fund in place, as well strong capital adequacy

## Design and Distribution Obligations (DDO) regime

SAFAA has worked with members to assist them in preparing for the implementation of the DDO regime. SAFAA has engaged with product issuers, software providers, Treasury and ASIC. In the new financial year, SAFAA was very pleased to see that its advocacy resulted in the government removing the requirement for 'nil' complaints reporting.

SAFAA has also worked with members to develop a template target market determination (TMD) for exchange traded options (in conjunction with Ashurst Lawyers) to assist with standardisation of practice in the industry.



## Value of our industry

8 MEMBER FIRMS

**\$373b**

AUM

**373,509**

RETAIL CLIENTS

**\$8.9b**

RAISED IN CAPITAL IN THE LAST 12 MONTHS

**\$2.4b**

RAISED IN CAPITAL FOR IPOs

INVOLVED IN

**621**

ISSUANCES

**81**

IPOs

INVOLVED AS

**87**

LEAD MANAGER IN TRANSACTIONS

**79**

SOLE MANAGER IN TRANSACTIONS

**76**

JOINT MANAGER IN TRANSACTIONS

**47**

UNDERWRITER IN TRANSACTIONS

## Royal Commission recommendations

The regulatory reforms arising from Royal Commission recommendations have been a key focus of much of our policy work over the past 12 months. SAFAA appreciates that the issues that have dominated in the minds of the public, government and the Royal Commission have all related to financial planning, banking, mortgage broking and insurance. Stockbroking has not generated any significant concerns or complaints from clients. However, our industry has been swept up in reforms aimed at these sectors.

SAFAA has undertaken significant advocacy involving multiple submissions as well as roundtables and meetings with Treasury, the government and

requirements, and so presents a very low risk of unpaid AFCA determinations.

A key piece of legislation that came before the Parliament during the year was the bill implementing the Single Disciplinary Body, winding up FASEA and transferring its functions to the Minister, Treasury and ASIC. SAFAA provided feedback, including the need to ensure those with expertise in stockbroking and investment advice serve on the disciplinary body.

SAFAA has also worked with members to assess the impact and understand implementation of forward fee disclosure and breach reporting. With members we developed a standardised lack of independence disclosure for the industry.

## Affordable advice

SAFAA has engaged in the industry-wide conversation on how to best provide access to affordable advice to consumers, including:

- a dedicated roundtable with ASIC and members on scaled advice
- submission on ASIC's consultation on affordable advice
- member roundtable with the authors of Rice Warner's Future of Advice report
- engagement with and submission on the Financial Services Council's affordable and accessible advice project
- engagement with the ALRC on its review of Chapter 7 of the Corporations Act
- engagement with other professional associations to seek consensus



views for recommendations for reform.

## Regulators

SAFAA has continued to advocate for the exclusion of complaints from wholesale clients from AFCA's jurisdiction and held a dedicated roundtable with Treasury on the AFCA review to look at this issue.

SAFAA continues to respond to ASIC consultations on matters relevant to members.

This year's ASIC levy for retail advisers giving personal advice on relevant products was a 54% increase from the original estimate and a staggering 112% increase over the 2019/18 levy. SAFAA raised our members' concerns about the sustainability of the increasing levy and the impact this cost is having on the ability of our members to provide affordable advice to retail clients with Treasury, the Minister and the Treasurer. SAFAA also joined with key professional and industry associations to urge the government to include the operation of the ASIC industry model within the scope of the government's deregulation agenda. In the current financial year, SAFAA welcomed the announcement from the government that the cost of the ASIC funding levy will be reduced for the next two years and a review of the funding model will be undertaken during that time.

SAFAA is an accredited tax (financial) adviser Association for the purposes of the Tax Agent Services Act (TASA) and is a member of the Tax Practitioner Board (TPB) consultative forum.

SAFAA continues to represent the interests of our members who are tax (financial) advisers.

## ASX

SAFAA has engaged with ASX on the CHES replacement project ensuring that members' issues and concerns are brought to ASX's attention. SAFAA sought an extension of the timeline for delivery of the CHES replacement project, in light of the upheaval in global markets and business operations last year arising from COVID-19 and the staged release of the Rule Amendments and welcomed ASX's announcement of such an extension. SAFAA has engaged in consultations on the release of Rule Amendments and changes to netting and settlement workflow. SAFAA also met with ASIC to discuss the impact of the November 2021 ASX outage. Member firms met quarterly with the CEO of ASX.

## Submissions

In the 2020 financial year we lodged 19 submissions with Treasury, ASIC, ASX, FASEA, the TPB, Financial Services Council and Parliamentary committees, putting forward our members' position on a range of important issues including:

- the Royal Commission reforms, including breach reporting, reference

checking, remediation and the single disciplinary body

- greater transparency of proxy reforms
- the FASEA Code of Ethics and education standards
- CHES replacement
- capital raisings.

## Engagement

We engage in positively influencing public policy and regulatory outcomes. We engage with ASIC, ASX, AFCA, FASEA, the TPB and Treasury, as well as with the government, the opposition and crossbench senators. We also participate in business and professional forums, the media and influential bodies that shape the evolution of practice.

Our three policy committees met 26 times between July 2020 and June 2021.

## Media

SAFAA had 124 media mentions in the last year, our strongest year for media coverage. This coverage was driven by our commentary on FASEA requirements, SAFAA's national conference and regulatory reform arising from the Hayne Royal Commission recommendations.



63

GOVERNMENT  
AND STAKEHOLDER  
MEETINGS



19

SUBMISSIONS



124

MEDIA MENTIONS



# OUR MEMBERSHIP

While the past few years has seen a steady increase in Practitioner membership, the last 12 months saw this trend reverse as experienced advisers took stock of the FASEA requirements and made plans to exit the industry or change their practice orientation.

With no appetite to train to deliver a financial advice service so different from the one they provide and which they have no desire to offer, a cohort of experienced stockbrokers and investment advisers are planning to move to retirement or are changing their practice orientation. Practitioner membership numbers decreased from 957 at 30 June 2020 to 868 at 30 June 2021.

We also saw a decrease in the number of Principal members in the last 12 months, primarily due to amalgamations in the industry. Amalgamations provide scale in the stockbroking and investment advice industry to meet ongoing investment requirements. One new Principal member joined in 2021, with the total of organisational members down from 32 in 2020 to 30 in 2021.

## Member retention rates

	2020	2021
Practitioner	91%	88%
Principal	96%	89%

Membership continues to be predominantly male, which reflects the gender make-up of the financial services sector generally. The larger proportion

of male members also reflects the demographic history of the profession, with 48% of members over 50 years of age. This gender balance will take some years to change, and SAFAA will work with members to improve the diversity of the profession.

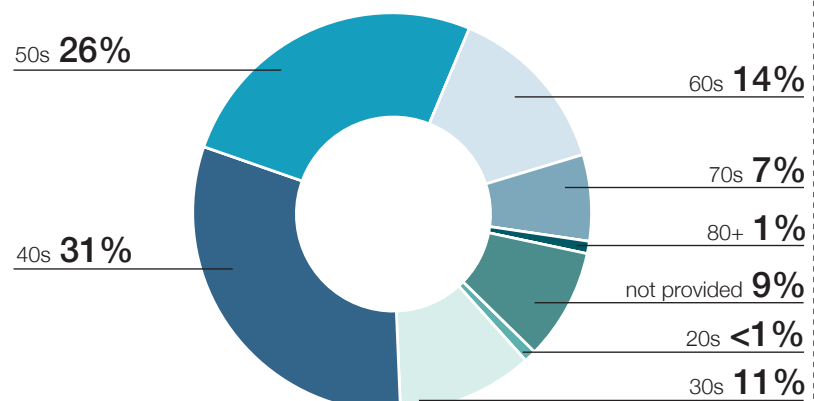
## Membership gender representation

	2020	2021
Female	14%	13%
Male	86%	87%

## Retired member category

SAFAA introduced a retired member category at a reduced retired member fee. Our aim was both to recognise members' contribution over many years and ensure that they could remain connected to their professional community. SAFAA also wishes to ensure that their expertise and knowledge can continue to be utilised to the benefit of the industry, given that a significant cohort of experienced advisers will be exiting over the next few years. With the loss of mentoring capacity inside firms that will result, SAFAA aims to assist our members to retain access to experienced members.

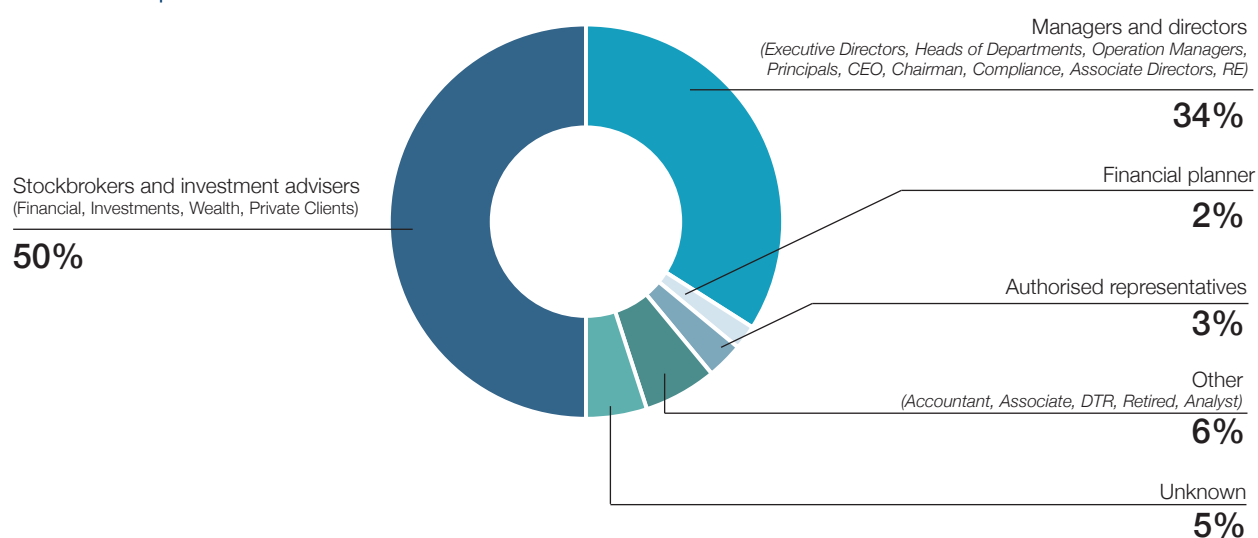
## Demographic groups of members





# OUR MEMBERSHIP continued

## Member responsibilities



## Member fees

While Practitioner member fees increased a few years ago, Principal member fees have not increased since 2008. Principal members were advised of a three per cent increase to their fees on an annual basis, effective 1 October 2021.

## Membership engagement

SAFAA surveyed both our Practitioner and Principal members in early 2021.

## Practitioner members

We received responses from 28%, which is statistically sound.

The majority (82%) of respondents work in retail stockbroking or investment advice, with 74% describing themselves as a senior adviser. Given that the majority of comments in relation to our question of what SAFAA could do for members concerned distress and pleas for assistance in relation to FASEA requirements, these figures are not surprising. Our members working in retail stockbroking and investment advice are the ones most exposed at present to onerous regulatory

requirements, and the survey provided them with the opportunity to articulate their concerns.

The emphasis in survey results on this cohort of members was confirmed by the fact that 63% of respondents are 50 years of age or older, with 76% having been in the profession for 20 years or more (40% have been in the profession for 30 years or more). Unsurprisingly, increased regulation, the FASEA exam and the potential loss of livelihood are the top three challenges our members face.

The key concern for SAFAA practitioner members who responded to the survey was the degree equivalence for existing stockbrokers and investment advisers (73%), followed by the FASEA exam requirement (50%). Advocacy and delivery of timely updates are the areas members value highly.



### Principal members

The 8,000 professionals represented by SAFAA through our Principal members include both retail and wholesale investment advisers and stockbrokers; institutional advisers; legal and compliance staff; back office staff; corporate finance and research roles, and adviser support roles. Members also work in derivatives, financial planning and clearing.

The majority of respondents had seen regulatory costs increase 20%—50%; with technology costs increasing 10%—30%.

The top three challenges faced by our Principal members were increased regulation, followed by completion of FASEA requirements. The loss of

experienced advisers who do not intend to complete FASEA requirements and keeping pace with technology share equal third place.

Advocacy was the most highly valued offering SAFAA could provide, with issues ranging from recognition of the existing educational qualifications of advisers to the ASX CHES replacement project.

An important part of SAFAA's member engagement is providing our members with opportunities to make a contribution to the association and, in turn, give something valuable back to their profession. This is achieved through a number of activities including opportunities to participate in one of SAFAA's technical committees, working

groups and roundtables with Treasury and regulators. We provide more information on page 10.

### Professional accountability

SAFAA has a Complaints Handling Process and a Conduct Review and Disciplinary System (CRDS) to investigate and determine complaints against members as well as any other referral involving the conduct of a member. By becoming a member of SAFAA, the member agrees to be bound by SAFAA's Complaints Handling Process and the CRDS. The Professional Conduct Tribunal has responsibility under the SAFAA Constitution for determining disciplinary actions brought by SAFAA against members.

### Member milestones

SAFAA honours our members who have retired in the last financial year. These members have decades of experience and have assisted clients to generate wealth over the long term.

Jennifer Abraham, Ord Minnett, 31 years

Colin Booth, Cannacord Genuity, 30 years

Alexander Burt, Australian Stockbroking and Advisory Service, 52 years

Andrew Christy, Bell Potter Securities, 25 years

Peter Coburn, Cannacord Genuity, 30 years

Bruce Cumbrae-Stewart, Bell Potter Securities, 40 yrs

Ian Glass, Evans & Partners, 35 years

Derek Gowns, Wilsons Advisory, 46 years

Craig Hawley, Cannacord Genuity, 24 years

Biruta Jaugietis, Ord Minnett, 38 years

Peter Leigh, JBWere, 31 years

David Lewis, Cannacord Genuity, 18 years

Andrew MacMillan, Evans & Partners, 32 years

Doug McKee, Cannacord Genuity, 55 years

Russell McKimm, Cannacord Genuity, 44 years

Max Mengler, Cannacord Genuity, 37 years

Aphroditis Miriklis, Patersons Securities Limited, 25 years

Lynda Myers, Burrell Stockbroking and Wealth Management, 50 years

William Ng, Cannacord Genuity, 27 years

Ian North, Bell Potter Securities, 40 years

Tony Porter, Cannacord Genuity, 34 years

John Reynolds, Morgans Financial, 50 years

Christopher William Richmond, Bell Potter Securities, 55 years

Peter Sheppeard, Triple C Consulting, 23 years

Greg Soudure, Euroz Hartley, 33 years

Paul Vergano, Cannacord Genuity, 38 years

Geoffrey Voller, Morgans Financial, 27 years

*While best efforts have been made to include all retiring or retired members through liaison with our Principal members, please accept our apologies if we have missed any names.*



# OUR MEMBERSHIP continued

## Complaints 2020/21

Nature of complaint	Complaints received	Action taken
Breach of SAFAA Code of Ethical Conduct	0	Nil
Breach of SAFAA Constitution or Rules	0	Nil
Failure to comply with educational standards, including continuing professional development requirements	0	Nil
Unethical behaviour with respect to dealing with a member of the public	0	Nil
Failure to observe reasonable standard of competence and diligence	3	Investigation ongoing*
Unsatisfactory professional conduct	1	No action required
Bankruptcy	0	Nil
Conduct in connection with a criminal offence	0	Nil
Conduct in connection with a taxation offence	0	Nil
Other complaints	0	Nil

\* These matters are being dealt with in accordance with the member's internal dispute resolution process or are with AFCA and are not at this stage subject to investigation by SAFAA.

## New and improved member services

We upgraded our CRM. The enhanced functionality allowed us to:

- integrate the conference app with the CRM to identify CPD points accrual
- quickly update member accounts with CPD earned at SAFAA-accredited professional development events, including the multi-session conference
- automate the issuance of CPD Certificates after completing audits of full session attendance

- integrate Zoom so that the registration confirmation is seamless.

We also moved to a new-look, contemporary website that provides for more engaging interaction with members and stakeholders. All content was refreshed and we added video recordings to the material available to members.

We also introduced free webinars as a member benefit – see more information on page 16.

## Member communications

Helping SAFAA members keep abreast of the current issues and relentless pace

of regulatory reforms was an important priority. We refreshed the *SAFAA Monthly* with a more contemporary design, as well as expanding content with additional relevant articles.

We implemented Messages from the CEO to ensure that members were kept up to date with breaking news and announcements, particularly around FASEA developments. We also established regular emails bringing updates on CPD offering to assist members to meet their CPD requirements. You can read more about this on page 16.



# EDUCATION

Through the delivery of our educational activities across the conference, workshops, webinars and the professional program, SAFAA aims to provide a one-stop shop for professional development for our members. Our programs are designed to enhance knowledge and build skills to meet members' needs for ongoing CPD requirements.

COVID-19 propelled SAFAA from delivering its educational activities as face-to-face events to delivering all online. During the year SAFAA delivered its first virtual conference, its first hybrid conference, established regular webinars that are free for members and scheduled four online workshops.

## Conferences

Unusually, SAFAA held two national conferences in the last financial year. As the scheduled May 2020 Conference could not proceed due to pandemic-induced government restrictions, it was rescheduled for August 2020.

The timing was challenging for many members, as it was reporting season, but at the time of postponing the conference – in the early days of COVID – there was confidence that it would be able to be delivered face-to-face. The August date was therefore tied to venue availability. But as Australia

### 2020 Virtual and 2021 Hybrid SAFAA Conferences

	2020 VIRTUAL			2021 HYBRID		
				Virtual	F2F	
Delegates	300			202	226	
				428		
Delegate member breakdown	Practitioner	Organisation	Non-member	Practitioner	Organisation	Non-member
	28%	51%	21%	21%	51%	27%
% of attendees attending SAFAA for the first time	40%			34%		
Sessions	19			22		
Speakers	49			58		
CPD Hours	11.67			15		



continued to experience outbreaks of the pandemic and resultant closed borders, SAFAA became the first professional association in the financial advice sector to move to a virtual event.

Feedback from the 300 delegates was very positive, as they confirmed that they still felt connection to the speakers and panelists and found the online platform easy to navigate. Interaction with fellow delegates and exhibitors was limited in the virtual environment, clarifying that networking is an important aspect of a national conference.

As the country saw significant success in controlling outbreaks of COVID, the decision was taken to implement SAFAA's usual conference schedule, which saw us deliver the conference again in May 2021. This conference was delivered as a hybrid event.

Feedback from the 428 delegates found that 100 per cent of virtual delegates and 94 per cent of face-to-face delegates found the conference was good value for money. Most respondents indicated that they would likely attend in the same delivery mode again, suggesting delegates enjoy the flexibility of the hybrid model.

## Webinars

Introduced as a new member benefit in June 2020, our webinar series is free to members and an important source of CPD for them. Two webinars were delivered each month, with additional webinars delivered in some months. During the year SAFAA delivered 31 webinars, with 2,657 registering and 1,821 participating live.



31

WEBINARS  
DELIVERED

86

AVERAGE  
ATTENDEE  
PER WEBINAR

64%

AVERAGE  
PARTICIPATION RATE  
PER WEBINAR

*Benchmark for average participation rate is 40-50%*

Webinars addressing preparation for the FASEA exam and compliance issues were by far the most popular with the top three attended webinars:

- General v Personal advice
- Strategies to pass the FASEA exam
- Privacy Act and Anti-money Laundering

During the 2020-2021 financial year, SAFAA-accredited CPD webinars provided 75 per cent of the total FASEA CPD advisers are required to undertake.

## Workshops

SAFAA transitioned our workshops to a virtual format. While this was propelled by the impact of the pandemic, the benefits are that attendees from across the country can attend and they are more cost-effective for participants. Average registration numbers increased from 12 to 20.

## Workshops

	2019/20	2020/21
Face-to-face	11	0
Online	1	5
Average attendees	12	20

## SAFAA-accredited CPD

### Total CPD hours delivered

Virtual Conference 2020	11.67
Hybrid Conference 2021	15
Workshops	8.25
<b>Webinars</b>	<b>30.25</b>
<b>TOTAL</b>	<b>65.17</b>

FASEA CPD	SAFAA-accredited CPD	FASEA requirements
Client care and practice	8.92	5
Professionalism and ethics	7.84	9
Regulatory compliance and consumer protection	18.33	5
Technical competence	26.41	5
General	3.67	16
<b>TOTAL</b>	<b>65.17</b>	<b>40</b>

Members could have attained almost all of their FASEA CPD requirements via SAFAA-accredited CPD events in the last financial year.

### Education partnership

An educational partnership with BetaShares facilitated the delivery of webinars on ETFs, educational contributions to the *SAFAA Monthly* and concluded with a joint survey on ETFs.

### Professional Program

In late 2020 SAFAA brought the delivery and administration of the Professional Program in-house from Western

Sydney University The College. The IP for courses has always been SAFAA's and the courses remain rigorous and high quality. SAFAA has partnered with Kaplan Professional to accredit our RG146 courses. During the 2020/21 period 175 students successfully completed a SAFAA course.

We continue to deliver accredited DTR training.

DTR enrolments and applications to the National DTR Register increased in 2020/21. As at 30 June 2021 there were 290 listed on the National DTR Register.





# GOVERNANCE

## Accountability

The directors and CEO aim to be open about the strategy for the organisation, reporting in this annual report on our strategic framework for 2020-23.

The board of directors has a clear understanding of the respective roles and responsibilities of the board and management.

There are four board committees, covering Audit, Nominations, Profession and Broking. Membership of committees and subcommittees extends beyond membership of the board, to ensure as full a representation as possible of member views in supporting the work of the board.

The reporting process to the board is clear, with the CEO reporting at each board meeting on progress against the strategic plan as well as on financial performance.

Members are also accountable through the SAFAA's compulsory continuing professional development (CPD) program which ensures members maintain and continuously improve their knowledge, skills and abilities.

## Stewardship

There is recognition that SAFAA is managed for the benefit of its members. The directors and the CEO have worked to ensure organisational sustainability through sound financial management.

## Integrity

All members must abide by the SAFAA members' Code of Ethical Conduct. There are very few disciplinary actions against members overall and none in the last 12 months, revealing how members embody integrity in their professional practice.

We demonstrate integrity in our engagement with regulators and policymakers, bringing data and evidence to support our input when seeking to influence public policy and other issues affecting the profession.

On the financial front, SAFAA pays its invoices diligently within the terms of supply.



# DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2021.

## Directors

Directors were in office for the entire financial year and to the date of this report unless otherwise stated.

### BRIAN SHEAHAN MSAFAA

*Appointed 07/11/2012*

*Elected Chairman 22/11/18*

*BCom; BSc (Geology), SF FIN*

Brian serves on SAFAA's Nominations and Audit Committees. He is Executive Chairman, Morgans Financial Limited and a member of the firm's Management, Risk and Remuneration Committees and Diversity Council. Brian has over 20 years' experience in the corporate/financial arena in Europe, Asia and Australia. He joined Morgans Financial in 1997 as a Senior Research Analyst after three years running a mineral-processing business and was appointed Managing Director in 2003 and then Executive Chairman in 2016.

Prior to this Brian worked in senior positions in financial analysis and corporate finance over six years for a listed Australian resource company. This followed two years in Europe in the finance sector and several years working as a geologist in Australia.

### STEVEN ARNISON

*Appointed 13/09/21*

*BEC, LLB (Honours)*

Steven has been General Counsel at Shaw & Partners since 2009 and also Company Secretary, having held that role since 2019. He is responsible for the carriage of all legal matters as well as all board and shareholder-related matters, corporate governance and other corporate activity. He liaises with Shaw's Swiss parent, EFG International and is also the designated Anti-Money Laundering Officer and Privacy Officer. Steven also held a dual role as Shaw's Head of Compliance from 2011 to 2019.

He is a board member of multiple Shaw subsidiaries and the Shaw and Partners Foundation, which has raised over \$5 million for various charities since its inception just over five years ago. Prior to joining Shaw & Partners, Steven was a Senior Associate with a boutique Sydney practice, focused on commercial litigation and business acquisitions.

### ANDREW BIRD MeSAFAA

*Appointed 15/2/21*

*BEC*

Andrew is General Manager, Advice, JBWere. He has 35 years' experience in the industry as an investment analyst, institutional research sales, discretionary portfolio management and over the past 18 years in wealth management

as an adviser and manager of advisers. Prior to joining JBWere, Andrew was an Executive Director with UBS Wealth Management in Melbourne.

Andrew has worked for global wealth managers in Australia and internationally developing a deep understanding of the market and is passionate about enhancing the position the Australian industry occupies in a fast-changing technology and regulatory environment. Andrew has passed numerous regulatory-related accreditations in a number of jurisdictions over his career.

### NICHOLAS BURMESTER MeSAFAA

*Appointed 5/8/20 | Resigned 31/8/21*

*BCom; LLB*

Nicholas was Head of Institutional Equities, Ord Minnett, with over 20 years' experience in financial services, specialising in emerging companies and hedge funds and joined Cannacord Genuity Financial in London in September 2021. Before joining Ords, Nick was Director of Equities Research Sales and Head of Emerging Companies at CBA, responsible for developing emerging companies' sales and research strategies, as well as capital raising activities. Prior to this, he was Head of Institutional Equities Sales at Evans and Partners, where he successfully established the Sydney Institutional business. Nick has also held senior roles at UBS, Merrill Lynch, MF Global.



# DIRECTORS' REPORT continued

## ANDREW FLEMING MSAFAA

*Appointed 26/11/15*

*BBus; MBA; GradDipAppFin;  
DipStockbroking*

Andrew is Chair of SAFAA's Profession Committee and currently he is a Senior Investment Adviser at Morgans Tynan Partners, Brisbane. Prior to joining Morgans in 2014, Andrew spent 20 years at Wilson HTM Group where he was a Senior Adviser in the Private Wealth Management Division concentrating on advice to a wide range of private clients and a partner of Wilson HTM prior to its ASX listing. He was also a member of the Managed Discretionary Accounts Committee. Andrew has worked in several other banking and investment roles including the National Australia Bank, Bank of Queensland, and Jarden Morgan Stockbrokers where he established the Toowoomba office. His community and service engagement includes Surf Lifesaving, Salvation Army Red Shield Appeal, and the Army Reserve.

## STUART KNOWLING MSAFAA

*Appointed 7/11/13*

*BSc (Econ)*

Stuart serves on the Broking Committee. He is Chief Executive Officer for Instinet Pacific Limited. His role includes management and oversight of Instinet's offices in Hong Kong, Singapore and Sydney and he is responsible for driving business strategy, growth and profitability across Instinet's trading and technology services organisations. Prior to this role Stuart spent six years as Chief

Operating Officer, Asia for Instinet based in Hong Kong.

Stuart moved to the COO role in Hong Kong in 2010 after spending three years working as Country Head for Instinet in Australia, where Stuart was responsible for the establishment of Instinet as a trading and clearing member of the Australian exchanges. From his time in Australia Stuart retains his position as an ASX Responsible executive and ASIC Responsible Manager.

Prior to joining Instinet Stuart spent 10 years with Deutsche Bank in roles in Sydney and London.

## JANE TANDY MSAFAA

*Appointed 24/5/17*

*BCom; GradCertFinPlanning; GAICD*

Jane is Chair of the Broking Committee and serves on the Profession Committee. She is the Group Chief Operating Officer at Canaccord Genuity Financial Limited. She commenced her career as a Dealers Assistant in 2003 and held a number of positions in both front and back office roles before moving into the COO role in 2015. Patersons was taken over by Canaccord Genuity in 2019 and Jane moved into the Group COO role at that stage.

In addition to her work in the stockbroking industry, Jane is the mother to three young children and is a passionate advocate for women in the finance industry, particularly working mums. She is a strong believer of the power of diversity in the workplace and enjoys mentoring within the industry.

## MICHAEL TRITTON MSAFAA

*Appointed 22/11/18*

*BCom; BEc; CFA; GradDipAppFin*

Michael is Chair of the Audit Committee. He is a Senior Partner at Crestone and the Head of the advisory business for NSW, QLD and SA. He sits on Crestone's National Executive Committee and was part of the team that led the buyout of Crestone from UBS Wealth Management in 2016.

Michael has 25 years' experience in financial markets, including 18 years at UBS where he held a variety of roles including head of UBS Investment Bank's Australian equities desk in Europe and as an Executive Director of UBS's Australian Wealth Management business.

Michael commenced his career in the stockbroking industry in Brisbane at Pembroke Josephson & Wright, Morgans and Ord Minnett.

## ASTRID ULLMANN MeSAFAA

*Appointed 14/11/19*

*MBA; GAICD*

Astrid serves on the Compliance Subcommittee. She is State Manager, NSW and Queensland, Morgan Stanley. Prior to taking on this role in 2021, Astrid was Chief Operating Officer, Morgan Stanley. Before joining Morgan Stanley, Astrid was Executive Director with UBS Wealth Management Australia. She started her career in financial services with UBS in Switzerland in various roles, before she moved with UBS to Hong Kong in 2008

to take on the role as Chief of Staff for the Greater China Region. In 2012, Astrid relocated with UBS to Sydney Australia, finishing her time with UBS by leading the Program to sell the UBS Wealth Management Australia Franchise to Crestone Wealth Management.

Astrid has more than 18 years' wealth management experience across Europe/APAC. During her career she has developed expertise in program management, M&A, finance, risk & regulatory change management, strategy design & implementation, and marketing and communication.

#### CHRIS WEBSTER MSAFAA

*Appointed 15/2/21*

*BCom; GradDipAppFin; GradDipACG*

Chris serves on the Broking Committee. He is State Manager WA — Canaccord Genuity Wealth Management. Prior to this, Chris was the Head of Private Wealth at Euroz Hartleys. He has worked in financial services since 2003 holding a variety of positions in institutional sales, operations, risk and compliance both in Perth and London.

Chris has completed and successfully passed the FASEA professional qualifications required to act as a financial adviser and is listed on the Financial Adviser Register.

#### SCOTT WEBSTER MSAFAA

*Appointed 26/11/15*

*BCom; FCA*

Scott serves on the Broking Committee. He is Managing Director, FNZ

### Directors' attendance at board meetings

During 2020/21 attendance by individual directors at meetings they were entitled to attend, is set out in the table below.

	Appointed during the year	Resigned during the year	Number eligible to attend	Number attended
Brian Sheahan			6	6
Michael Tritton			6	5
Jane Tandy			6	6
Scott Webster			6	5
Andrew Fleming			6	6
Astrid Ullmann			6	5
Stuart Knowling			6	4
Nick Burmester	7/8/20		6	5
Andrew Bird	15/2/21		2	2
Chris Webster	15/2/21		2	2
Judith Fox			6	6

Securities. Prior to taking on this role, Scott was Managing Director, Head of Platforms and Institutional Funds Group, UBS. He joined UBS in 1996. Scott has also been a member of ASIC's Market Advisory Panel since 2010.

#### JUDITH FOX

*Appointed 26/8/19*

*BComms; MCA, FGIA, MAICD*

Judith is Managing Director and CEO. She serves on the Broking, Profession and Nominations Committees and the Derivatives and Compliance

Subcommittees. Prior to joining SAFAA, she was CEO of Australian Shareholders Association and also served as Head of Policy & Advocacy at Governance Institute of Australia. She has been a member of the ASX Corporate Governance Council since 2005.

#### COMPANY SECRETARY

Peter Stepek (retired 7 August 2020)

Ann Phillips (appointed July 2021)

Judith Fox, CEO SAFAA, also serves as company secretary.





**Stockbrokers and  
Financial Advisers**  
Association

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