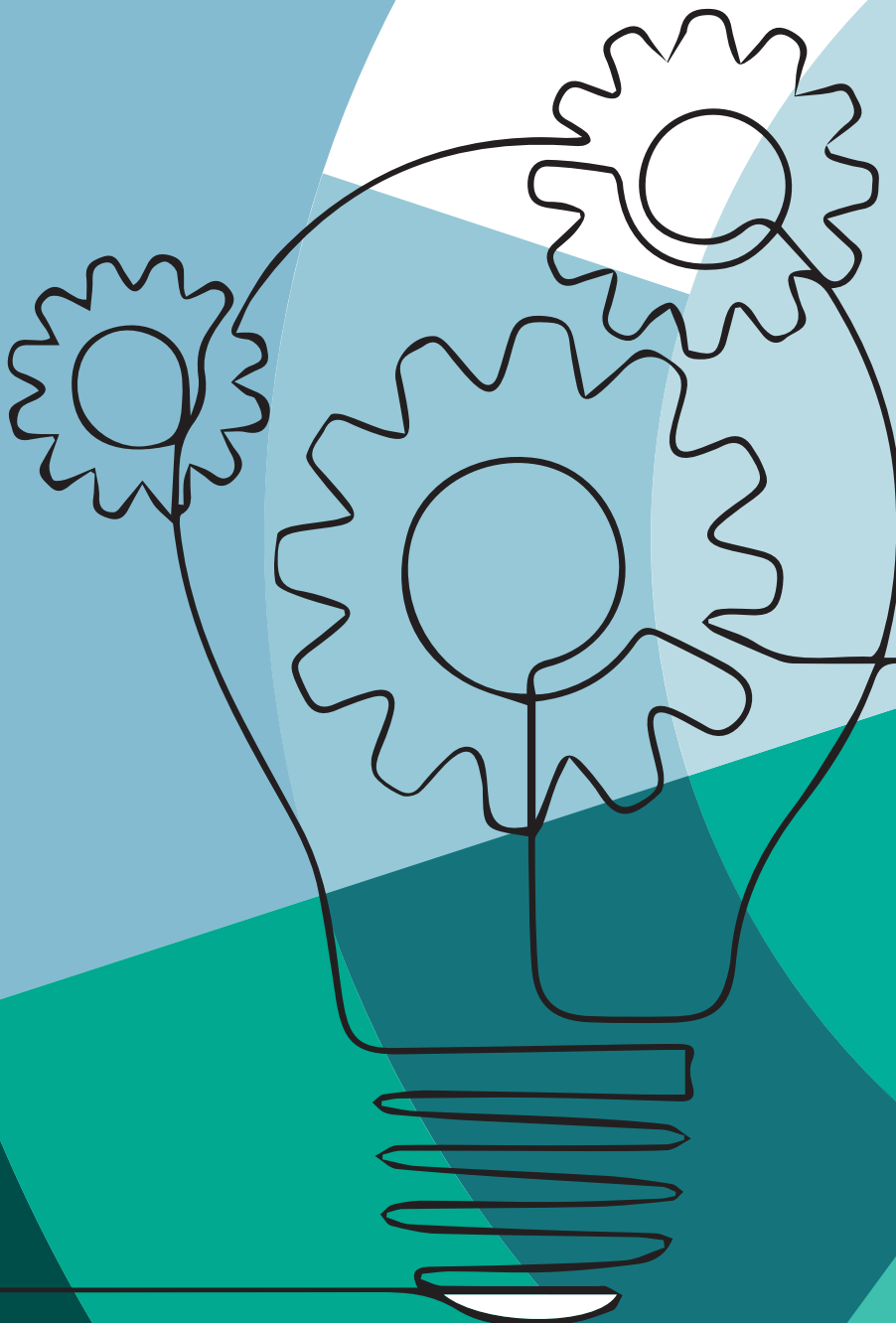




Stockbrokers and Investment
Advisers Association
Serving the interests of investors

2022 ANNUAL REPORT



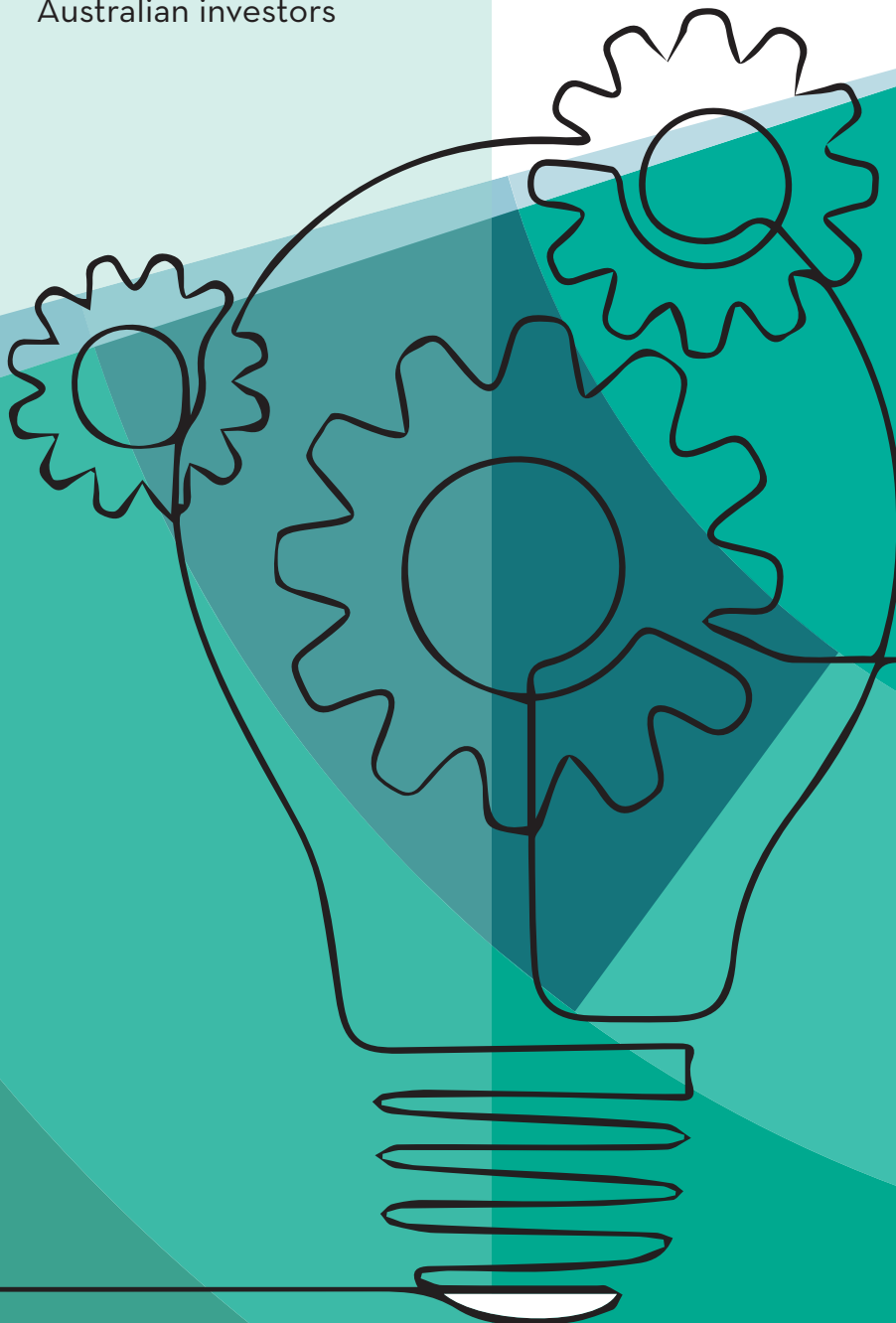


Stockbrokers and Investment
Advisers Association

Serving the interests of investors

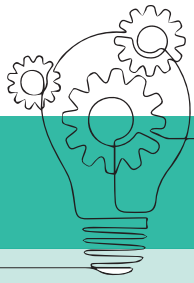
OUR PURPOSE

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



CONTENTS

2022 in numbers	4
Strategy	5
Chairman and CEO report	7
Leadership & influence	9
Our membership	13
Education	15
Governance	17
Directors' report	18



2022 IN NUMBERS



851

PRACTITIONER MEMBERS

29

PRINCIPAL MEMBERS

8,000

TOTAL MEMBERS REPRESENTED
THROUGH PRINCIPAL MEMBERS



472

2022 HYBRID
CONFERENCE DELEGATES



27

NUMBER OF WEBINARS



50

CPD HOURS PROVIDED
TO MEMBERS



26

NUMBER OF PUBLIC POLICY
SUBMISSIONS



80

NUMBER OF GOVERNMENT
AND STAKEHOLDER MEETINGS



140

NUMBER OF MEDIA MENTIONS
OF SIAA

STRATEGY

Our three-year strategic plan (2020–2023) remains central to the Board’s plans.

Brand and profile

The Association successfully rebranded in 2022, with members fully supportive of the change. The special resolution to change the name of the Association to Stockbrokers and Investment Advisers Association was passed unanimously on 23 March 2022.

Our new name:

- reflects accurately the breadth of our membership’s roles and responsibilities, given that not all of our members provide financial advice — our members are full-service and online brokers, execution-only participants and provide wealth advice and portfolio management services
- confirms that all of our members are involved in facilitating investing and serving the interests of investors — that is the ethos that binds our member community
- distinguishes our members from other types of financial advice providers such as financial planners, risk advisers and mortgage brokers.

The name change clarifies who our members are and proudly encapsulates the value our members add to the community of investors, businesses seeking capital and, ultimately, the economy. The tagline accompanying

our new name — ‘Serving the interests of investors’ — captures the fiduciary relationship our members have with investors.

The name change allows for recognition that different forms of financial advice provide different services to clients, according to their needs. This clarification is helpful to the community when thinking about how to generate wealth over the long term by investing in equity and debt markets.

A strong voice

SIAA continued 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. The need to provide for recognition of specialisations has been recognised by the new Federal Government. We have strong relationships with policy makers and regulators, but more work is required to assist them to understand the value our industry provides to the Australian economy. This value is our industry’s support not only of Australian investors to generate wealth, but also businesses seeking capital to maintain market-leading positions or become success stories of the future.

In the second half of 2021, we commissioned work on a campaign to bring political attention to the detrimental impact on our industry of the one-size-fits-all education standards for financial advisers, that had stifled the pipeline into the industry and seen an exodus of experience. The issue in December that year of the Treasury Policy Paper recommending changes to the education standards meant we did not have to implement the campaign. The current government is acting on its policy proposals to amend the education standards.

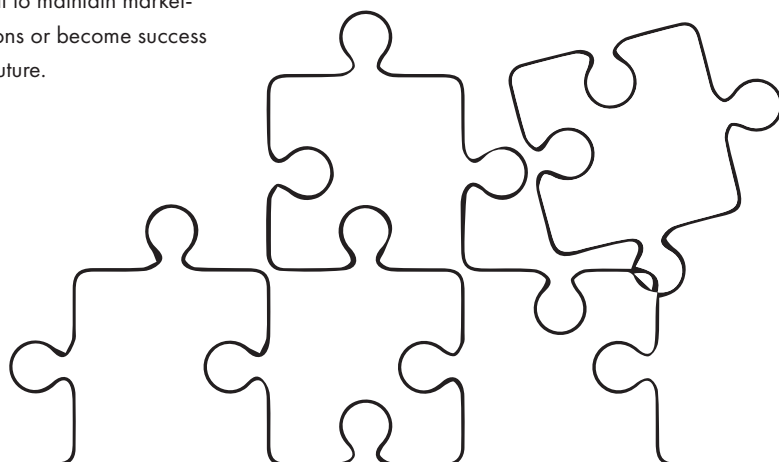
Education

Our professional development program now ensures that our members can meet their professional standards CPD requirements entirely through SIAA-accredited programs. Our accreditation program has been mapped again to meet regulatory requirements to ensure it continues to provide high standards of training to the industry.



Stockbrokers and Investment Advisers Association

Serving the interests of investors





STRATEGY continued

Enhanced member value

Member roundtables are held with ASX and ASIC and dedicated meetings with regulators and Treasury are held regularly. We held 12 roundtables with members and other stakeholders throughout the year. The advocacy section details the number of government and stakeholder meetings held through the year.

Communicate

We engage with stakeholders to champion who our members are and what they do. SIAA has expanded the profile of the industry and our members, with regular media coverage of our policy positions and increased recognition that our members provide a different financial advice service than others operating in the advice space.

We have introduced 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

OUR GOALS

STRONG VOICE	BRAND AND PROFILE	EDUCATION	ENHANCED MEMBER VALUE	COMMUNICATE
To extend SIAA'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

Your leadership team at the SIAA has, as its core focus, a responsibility to members in terms of providing the optimal advocacy on your behalf coupled with the provision of necessary educational and professional services to assist members to deal with an extremely dynamic environment.

This focus throughout the year has been to work independently and jointly with members to provide a strong voice to all parties that influence our industry. Since 1 July last year SIAA has had 80 stakeholder meetings and they continue on a regular basis.

Advocacy

In the current regulatory environment it may seem as if all that effort has not borne fruit. But at a time when regulatory reform has been punishing, SIAA achieved some key wins in terms of bringing common sense to the debate on education requirements for advisers. A crucial result of this is that the industry will be able to retain a significantly higher number of its experienced stockbrokers and investment advisers than originally thought. This is clearly a win/win scenario for not only the livelihoods of many advisers, but also the thousands of retail investors across the country who will be able to access professional financial advice and broking services.

This key win was based on achieving recognition that the 'one-size-fits-all' approach to the regulation of financial advice is not practical, efficient or fit for purpose. SIAA advocated strongly for recognition of the difference between professions and the industry — there are multiple professions in the financial advice industry and they require different education pathways geared to the financial advice they provide. Our strong



BRIAN SHEAHAN MSIAA
Chairman, SIAA

advocacy helped lead to the former government disbanding FASEA at the end of 2021 — its narrow focus had been instrumental in the number of advisers decreasing from more than 28,000 in 2018 to 15,908 in 2022.

That was a vital first step in achieving change, with the next important step being to secure change to the mandated education standards. We have been in discussion with the Labor Party over the past few years and were very pleased when it recognised the problems and committed to change prior to the 2022 federal election. Once in government, the Minister introduced consultation on the recognition of experience coupled with a clean record and we also hope to see an expanded qualification pathway to attract new entrants with appropriate qualifications. We are glad the government recognised the need to ensure that the expertise of our profession



JUDITH FOX
CEO, SIAA

can continue to be utilised in raising capital for Australian businesses and assisting investors to take up investment opportunities.

Our name change to Stockbrokers and Investment Advisers Association (SIAA) was central to our advocacy efforts. We were delighted that our members approved the name change in March this year. The change reflects accurately the breadth of our membership's roles and responsibilities, given that not all of our members provide financial advice. It confirms that all of our members are involved in facilitating investing and serving the interests of investors. The name change also distinguishes our members from other types of financial advice providers such as financial planners, risk advisers and accountants, which is necessary to ensure understanding by policy makers of the broad ecosystem of financial advice.



CHAIRMAN & CEO REPORT continued

Securing agreement from other professions that the 'one-size-fits-all' approach does not work was another important step. Throughout 2022, we worked with 11 other advice associations on the Quality of Advice Review. We developed recommendations on multiple areas of consensus and explained how the different financial advice services meant that there would not be consensus on all matters, as that would simply repeat the folly of trying to shoehorn different professions into one model.

Of course, ongoing liaison with ASX on the CHES replacement project has been another key focus, as has the work undertaken on behalf of members in relation to ASIC's expectations of market participants in the case of a market outage.

Our other wins are set out in detail in the Advocacy section of this report on pages 9–12.

Membership

A new Principal member joined this year. While changes in how tax (financial) advisers are regulated saw an influx of new Practitioner members, the ongoing exodus of experienced advisers saw total membership numbers decline very slightly.

Importantly, we have been able to shift focus from the reactive stance of the past few years — as SIAA assisted members to deal with the onslaught of regulatory reform — to a proactive approach. SIAA has commenced developing best practice standards, such as the TMD for options or the bulk form for off-market transfers between CHES sponsors, providing for consistency across the industry. These are important and practical initiatives that benefit our members.

We support members by holding online forums and roundtables where issues affecting the entire industry can be discussed in confidence. Importantly, we also ensure our members gain access to policy makers and regulators to have their views heard.

Education

The CPD program that we provide for members allows them to meet their professional development requirements. This is an important part of how we support members in their professional lives, as is our accreditation program that meets compliance obligations for our members providing general advice. We continue to maintain high standards for DTRs through our accreditation program as a service to our industry.

Our conference, held for a second year as a hybrid event, was a resounding success.

Financial health

The Association has posted a deficit this year. While revenue for membership, accreditation and other education increased, the return to a hybrid model for the conference when it had originally been envisaged as purely a face-to-face event had an impact on the bottom line. Additional expenses attached to the rebranding of the Association and advocacy and research campaigns also had an impact.

The Association continues to have a strong balance sheet and asset base that will assist it to manage ongoing challenges. Our financial report for 2022 is available on pages 24–35.

Operations

SIAA continued to improve and enhance functionality in the CRM and website. Cyber security was further strengthened with dedicated training. The accounting function is now managed by an external party, which has seen significant efficiencies implemented while maintenance of robust controls continues.

We serve members

Our purpose is to serve our membership so that they can serve the interests of investors. We are supported by the expertise of our members volunteering on committees and by presenters who share their insights at our conference and webinars. We extend our thanks to all members who have participated in these events as well as those who contributed to the forums and roundtables held throughout the year. Our thanks also go to the team members at SIAA, who have exhibited outstanding professionalism and dedication, delivering remarkable results across all our activities.

Brian Sheahan
Chairman

Judith Fox
Chief Executive Officer

LEADERSHIP & INFLUENCE

SIAA's policy and advocacy initiatives are supported by longstanding relationships with key stakeholders. Our members' significant expertise and experience inform our policy and advocacy positions.

Advocacy

Members have experienced an extraordinary amount of regulatory reform over the previous year, such as annual forward fee disclosure and consents; breach reporting; anti-hawking and reference checking provisions; Design and Distribution Obligations (DDO); and the Single Disciplinary Body.

Implementation of these new regulatory provisions posed significant challenges to our members. Regulation on forward fee disclosure and consent, DDO and breach reporting required significant system changes, each of which would have been onerous in normal circumstances. Yet the need to implement these significant system changes took place at a time when millions of Australians went into lockdown across a number of states as a result of the COVID-19 pandemic and access to expertise in information technology was hindered due to closed borders. These legislative changes were also being implemented at the same time as the industry was working on system changes to accommodate ASX's CHES replacement project and respond to ASIC's expectations arising from the ASX outage of November 2020.

The industry has also been grappling with the professional standards education requirements which, despite the wind-up of FASEA on 31 December 2021, the release of the Treasury policy paper that same month and the consultation undertaken by the current government, have not yet been amended.

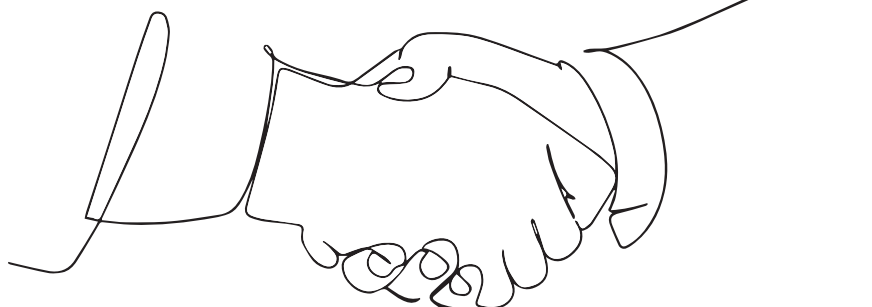
Policy wins

Despite the onslaught of regulation, SIAA did achieve some policy wins.

- We had a win with ASIC, writing to the Chairman, Joseph Longo, calling for relief in relation to the suite of reforms that went live in October 2021. We welcomed ASIC's announcement that it would take a reasonable approach to the welter of regulatory reforms that took effect in October 2021, provided industry participants were using their best efforts to comply. This gave our members some time to bed down complex regulatory reform.
- Another key win for our members was persuading the government that the ever-increasing ASIC funding levy was unsustainable and had to be capped and reviewed, which resulted in a reduction for

the next two years and a review of the funding model. This provided our members with some certainty and stability in relation to budget planning at a time when costs are escalating.

- We argued to limit the number of civil penalty provisions that were deemed to be reportable in the breach reporting regime and those changes were accepted. This resulted in breaches under the Market Integrity Rules no longer being a deemed breach that automatically required reporting.
- We had success in persuading the government and Treasury to remove the requirement for distributors to report 'nil complaints' to issuers in the DDO regime, which would have been a significant imposition of unnecessary red tape for no benefit.
- We provided feedback to Treasury on proposed legislation to facilitate virtual AGMs and argued that the right of shareholders to ask questions or make comments must not be diluted by reason of a meeting being held virtually. We were pleased to see that the final legislation allows members who attend a meeting using virtual meeting technology to exercise orally and in writing their right to ask questions and make comments.
- We expressed our concerns that proposals regulating proxy advisers would impact analyst reports and that the research of sell-side brokers would be caught under any proposed laws. The proxy advice regulations were subsequently disallowed.





LEADERSHIP & INFLUENCE continued

- We pointed out to Treasury that the Better Advice bill had overlooked tax (financial) advisers who provide advice to wholesale clients. Changes were subsequently made to the regulations to ensure that those advisers remained subject to the Tax Practitioner Board (TPB).
- And in November 2021, we were very pleased to see Treasury recommend in its report on the review of AFCA that the complaints body should look to more actively exercise its existing discretion to exclude wholesale complaints in appropriate circumstances and exclude complaints from sophisticated clients as a matter of course, unless there is evidence that they have been incorrectly or inappropriately classified. SIAA has long expressed concerns about the extent to which AFCA accepts complaints from sophisticated and high-net-worth investors.

Royal Commission recommendations

The regulatory reforms arising from Royal Commission recommendations continued to be a key focus of much of our policy work over the past 12 months.

Recommendations 2.3, 2.5 and 2.6 called on the government to assess the effectiveness of measures designed to improve the quality of financial advice following their implementation. SIAA has undertaken significant work in providing feedback to the Quality of Advice Review following the release of the draft terms of reference in March 2022. This work has included meetings with the independent reviewer, Michelle Levy, and providing an extensive submission to the Review shaped by a working group of SIAA members. In our submission, SIAA

has reiterated that our members have been caught up in a regulatory regime governing the financial advice process to which regulators and policy makers have often applied a financial planning lens, which has been to the disadvantage of stockbrokers and investment advice firms and their clients.

SIAA has also collaborated with 11 other industry associations on a joint submission to the Review which had five key themes as the priorities for improving the accessibility, affordability and quality of financial advice for consumers. One of the key points of the Joint Associations Working Group (JAWG) submission is that the current one-size-fits-all regulatory approach is not relevant to many Australians' advice needs. SIAA continues to work with the JAWG on matters concerning the Quality of Advice Review.

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. We advocated for members of our industry to be appointed to the Single Disciplinary Body so that we could ensure knowledge of and expertise in our sector would be present should any complaints be heard in relation to our members. Nine SIAA members have been appointed to the Panel, ensuring that stockbrokers and investment advisers brought before the panel will have their matters determined by their peers.

One recommendation of the Royal Commission that has not yet been implemented is the Compensation Scheme of Last Resort. SIAA appeared before the Senate Standing Committee on Economics in December 2021 and repeated our concerns about the design of the scheme and the fact that much

of the detail of who was to pay for the scheme and for what amounts was to be included in regulations that had not been made available. The Labor party has introduced the bill to implement the scheme that is in most respects the same as the bill introduced by the former government. SIAA has again raised our concerns as to the fact that the scheme is not risk-based.

Australian Law Reform Commission review of financial services laws

Against the background of the Royal Commission, the previous government issued terms of reference to the Australian Law Reform Commission (ALRC) to consider whether the Corporations Act and regulations could be simplified and rationalised to ensure that financial services laws were fit-for-purpose for industry and met the needs of consumers of financial products and services. The ALRC will be presenting the results of its inquiries in three separate reports, with the first delivered in November 2021 and the latter two in September 2022 and August 2023. A Final Report is due in November 2023. SIAA has been engaging with the ALRC inquiry and provided submissions in response to the first and second reports, arguing that added layers of regulation imposed on the financial advice industry over some years, particularly in response to the recommendations of both the Parliamentary Joint Committee on Corporations and Financial Services inquiry into professional and education standards for financial advisers and the Hayne Royal Commission, have increased both the costs of doing business and the regulatory risk, and have made the provision of advice to retail clients more costly and less accessible. We stressed the importance of regulators

and government understanding the way the stockbroking and investment advice industry works and fits within the broader financial advice service ecosystem and that our members not be subject to a one-size fits-all approach.

Wholesale clients

In February 2022 SIAA issued its first thought leadership discussion paper *Does the wholesale investor test need to change?*. This was part of our proactive advocacy, where we aim to facilitate an informed debate on key issues. Responding to the increased frequency in calls for changes to the wholesale investor test, the paper addressed the issues of:

- whether there is evidence of harm to support calls for change
- how the test is applied in practice
- existing regulatory protections for wholesale investors and
- the consequences for advisers and investors of a change in the test.

It concluded that without evidence of harm or market failure in relation to financial advice servicing the higher end of the income and asset distribution, particularly when such individuals have taken deliberate steps to opt out of the retail investor regime, there were insufficient grounds to introduce law reform. The issue of the wholesale investor test has been the subject of the ALRC review of financial services laws and the Quality of Advice Review and SIAA has referred the ALRC and the Quality of Advice Reviewer, Michelle Levy, to our paper.



Financial adviser education standards

Treasury issued a policy paper in December 2021 seeking feedback on amendments to the education standards that would introduce an experience pathway for advisers with 10 or more years of experience and a more flexible qualification pathway. SIAA strongly supported Treasury's proposals. FASEA's education standards did not recognise our members' considerable experience as the equivalent of a degree for existing advisers. It was FASEA that deemed skills, knowledge and experience unsuitable for recognition. The list of degrees approved by FASEA were not degrees suitable for a career in stockbroking and investment advice. SIAA members with degrees in commerce, economics, finance and business – the degrees most suitable to a profession in investing – are currently required to undertake unrelated financial planning diplomas in order to continue to provide investment advice. The FASEA education standards were deterring top graduate talent from entering the stockbroking and investment advice profession.

Despite our strong support, the Minister declined to amend the education standards.

Since the change of government in May 2022, Treasury is consulting on proposals to implement the new Minister's pre-election commitment to introduce a transitional pathway for experienced advisers with an unblemished record and 10 years of experience, and an expanded qualification pathway for new entrants. SIAA has welcomed the experience pathway and provided our members' views on the proposed qualification pathway for new entrants. SIAA continues to stress the importance of commerce, finance, economics and

business degrees to the stockbroking and investment advice profession.

Unfortunately, despite responsibility for the exam passing from FASEA to the Minister on 1 January 2022, no changes have been made to the exam format or content to make it suitable for stockbrokers or investment advisers. Members have been forced to sit an exam on matters that do not relate to their day-to-day business such as aged care, insurance and Centrelink benefits. The pass rates for the financial adviser exams conducted in 2022 were 32%, 40% and 52%. Clearly the exam is not fair for specialists or testing what it should be. SIAA continues to advocate for changes to be made to the national financial adviser exam to make it fit-for-purpose for our members.

Australian Financial Complaints Authority (AFCA)

SIAA met with AFCA on a regular basis as part of its ongoing engagement efforts and continued to argue that AFCA exclude complaints from wholesale investors.

We also welcomed AFCA's revised funding model and statistics showing that the number of complaints against our members – already very low – continues to decline.

Regulators

SIAA responded to ASIC consultations on matters relevant to members such as amendments to the Market Integrity Rules and regulatory guides. SIAA members provided feedback on the stockbroking example Record of Advice attached to ASIC's *Information Sheet 266* FAQ's: *Records of Advice* published in November 2021.



LEADERSHIP & INFLUENCE *continued*

In response to the November 2020 ASX Market outage, in November 2021 ASIC issued Report 708 *Expectations to support the resilience and robustness of the Australian equity market*, setting out the regulator's expectations for market operators, market participants and large institutional investors. ASIC has sent letters to a number of SIAA's members requesting them to develop a response to its expectations and has mandated that all new orders be sent to an alternative venue in the case of a market outage. SIAA continues to argue that ASIC's expectations will introduce additional complexity and risk, which will be to the detriment of market integrity in the case of a future market outage — itself an infrequent occurrence. SIAA's members are already capable of trading on the alternative venue of Cboe during an ASX outage, but at the time of the November 2020 ASX outage the diminished trading was not due to incapacity to reroute.

SIAA is an accredited tax (financial) adviser Association for the purposes of the Tax Agent Services Act (TASA) and is a member of the TPB consultative forum. SIAA continues to represent the interests of our members who are registered to provide tax (financial) advice.

ASX

ASX announced on 11 May 2022 that the go live date of April 2023 for CHES replacement would not go ahead. On 3 August 2022, ASX announced that it had appointed Accenture to provide an independent review of the new CHES application software. ASX has identified that more development is required than previously anticipated to meet ASX's scalability and resilience requirements for the application. SIAA has publicly welcomed the review but has voiced

concerns over the increased cost imposed on members resulting from the delay and anticipated rework. The review is expected to take approximately 12 weeks. ASX does not expect that the new go live date will be before late 2024.

SIAA continues to engage with ASX on the CHES replacement project, ensuring that members' issues and concerns are put forward in consultations.

ASX is consulting with Market Participants on how it will be implementing its responses to ASIC's expectations contained in ASIC Report 708. SIAA continues to engage with ASX on its response to ASIC's report and the impact of ASIC's expectations on members.

Submissions

In the 2022 financial year we lodged 26 public submissions with Treasury, ASIC, ASX, FASEA and Parliamentary committees, putting forward our members' position on a range of important issues including:

- proposed amendments to financial adviser education standards
- changes to Market Integrity Rules
- ASIC cost recovery levies
- the Single Disciplinary Body
- Standard 3 of the Code of Ethics
- the proposed Compensation Scheme of Last Resort
- Australian Law Reform Commission Review of financial services legislation
- Quality of Advice Review
- CHES replacement.

Practice

SIAA developed a bulk form for off-market transfers between CHES sponsors in conjunction with members so that there is consistent practice across the industry.

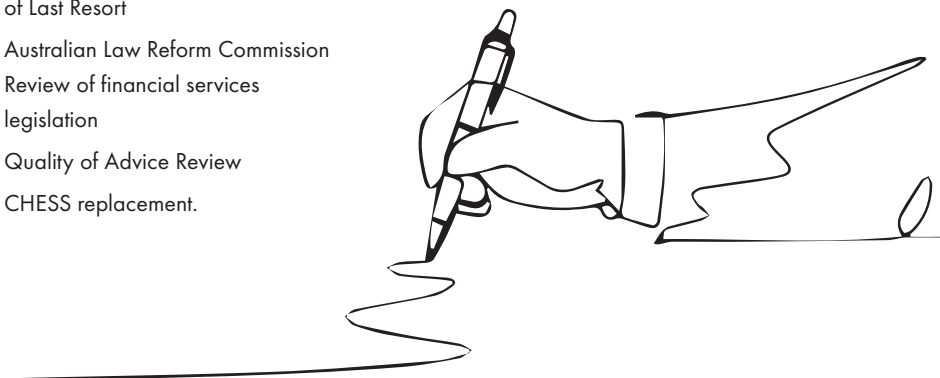
SIAA engaged Ashurst Lawyers to develop a template Target Market Determination for options that complied with DDO obligations. SIAA arranged for the template to be reviewed by ASIC and arranged for ASIC's feedback to be incorporated into the final template.

Engagement

We engaged in positively influencing public policy and regulatory outcomes through ongoing meetings with ASIC, ASX, AFCA, the TPB, Treasury and other associations as well as with the government and opposition. We also participated in business and professional forums and engaged with the media and influential bodies that shape the evolution of practice.

In total, we had 80 meetings with stakeholders on policy issues during the 2021/22 financial year.

Our three policy committees met 19 times between July 2021 and June 2022.



OUR MEMBERSHIP

Two new Principal members joined in the last financial year. With amalgamations underway in the industry to provide scale in the industry to meet ongoing investment requirements, despite these new members, the total number of Principal members decreased by one to 29.

The changes to the legislation governing tax (financial) advisers saw an influx of new Practitioner members as advisers utilised SIAA membership to register with the TPB. This allowed them to take advantage of grandfathering arrangements onto the Financial Adviser Register.

However, the exodus of experienced advisers continued, which in turn affected Practitioner membership. At 30 June 2022, Practitioner membership numbers were 851 compared to 868 at the end of the previous financial year.

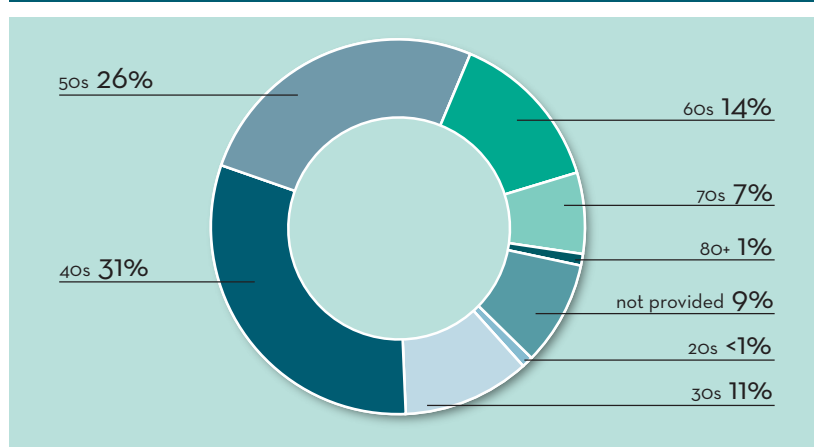
Member retention rates

	2021	2022
Practitioner	88%	85%
Principal	89%	97%

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.

SIAA has established a Diversity & Inclusion Working Group to develop approaches to improving the diversity of the profession, as the gender representation breakdown of members remains at 13% female and 87% male.

Demographic groups of members



Membership engagement

The ongoing impact of lockdowns throughout COVID saw most member engagement conducted virtually. Twelve roundtables were held with members across a range of topics. Some were member-only forums and some were with external parties such as regulators, market operators and policy makers. Roundtables with members included:

- PI Insurance
- With ASIC on its report on the ASX 2020 market outage and expectations of market participants
- With ASX CEO and executive team on ASIC expectations of ASX in relation to issues arising from the 2020 market outage, such as session states and down-for-the-day declaration

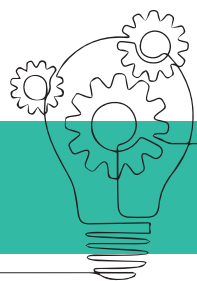
- Managing non-FASEA-qualified advisers who do not want to retire
- Managing the Professional Year
- The wholesale investor test.

SIAA also confirmed for a second year that members were to be included as essential services in NSW and SA as well as Victoria so that critical staff could attend the office during lockdowns.

SIAA also arranged for the former Shadow Minister, the Hon Stephen Jones MP — now the Assistant Treasurer and Minister for Financial Services — to present to and engage in a Q&A with members prior to the election.

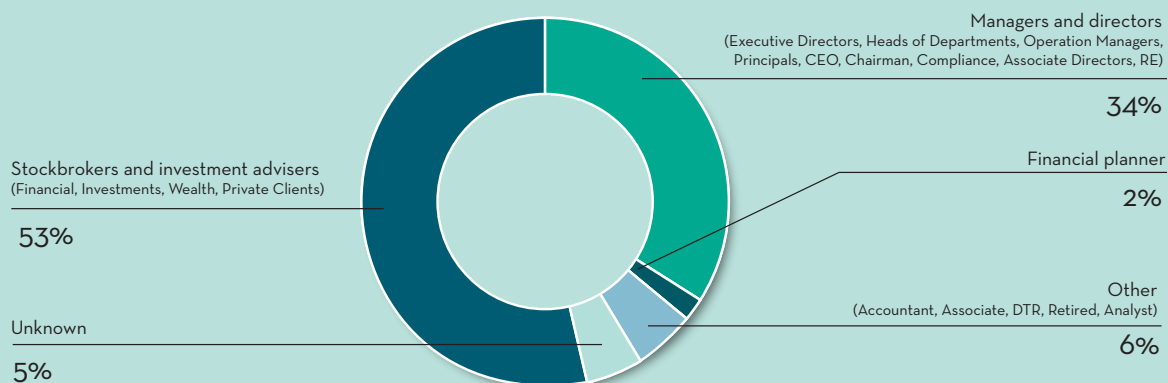
New member services

SIAA's focus for some years, due to the pressure of regulatory reform, has been on the advice side of the industry.



OUR MEMBERSHIP continued

Member responsibilities



Working Groups have formed to look at a range of other pressing issues as follows:

- Equity Capital Markets
- Operations & Technology
- Diversity & Inclusion

We introduced a second monthly newsletter — *SIAA Newsroom*. This provides articles on topical issues relevant to capital markets and has an average open rate of 66%. SIAA also introduced a new alert service, *What's come up?*.

Professional accountability

SIAA's Complaints Handling Process and a Conduct Review and Disciplinary System (CRDS) was established to investigate and determine complaints against members as well as any other referral involving the conduct of a member. The Professional Conduct Tribunal has responsibility under the SIAA Constitution for determining disciplinary actions brought by SIAA against members. No disciplinary actions were taken against members in the last financial year.

Complaints 2021/22

Nature of complaint	Complaints received	Action taken
Breach of SIAA Code of Ethical Conduct	0	Nil
Breach of SIAA 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	0	Nil
Unsatisfactory professional conduct	0	Nil
Bankruptcy	0	Nil
Conduct in connection with a criminal offence	0	Nil
Conduct in connection with a taxation offence	0	Nil
Other complaints	1	Complaint resolved by member firm

EDUCATION

SIAA's wide range of evolving education offerings sets the standard that employers, regulators and the investing public expect from individuals who are employed within the stockbroking and investment advice industry.

Our quality accreditation courses provide training for the securities and derivatives industry. Our online workshops are an excellent introduction for those new to the industry or those seeking a refresher. Our webinars deliver on a range of topics which assist members to attain their required CPD during the year and our national conference brings the industry together for an update on industry insights and trends.

Conference

The 2021-2022 financial year provided the opportunity for the industry to come together at the annual conference held in May.

Following on from the success of the previous year, the SIAA 2022 high touch | high tech conference was again held as a hybrid event at the Sofitel Sydney Wentworth and online. With 22

sessions featuring 66 presenters, most of the sessions were delivered as constructive and thought-provoking panels with two international presenters streaming in from the US.

There was a total of 472 delegates. The face-to-face event attracted 283 delegates and the virtual event 189 delegates, an increase of 10% from the previous year.

The desire to get together at a face-to-face event was clear, with 60% of delegates attending in Sydney. Non-member numbers also increased, showing the relevance of the conference to a wide range of stakeholders. The conference demonstrated the value of getting together to discuss the big issues facing the industry, both those requiring immediate attention and those over-the-horizon issues that need to be considered now to ensure a strong future.



	F2F		Virtual		Total		Total %	
	2021	2022	2021	2022	2021	2022	2021	2022
Practitioner Member	43	44	49	49	92	93	21%	20%
Organisation Member	99	86	121	102	220	188	51%	40%
Non-member	84	153	32	38	116	191	27%	40%
Total	226	283	202	189	428	472	100%	100%





EDUCATION continued

Webinars

During the year SIAA delivered 27 webinars (free for members), with 1,917 registering and 1,276 (66%) participating live. With average industry participation rates ranging between 40% and 50%, SIAA's average participation rate is a testament to our webinars meeting the needs of members. Ratings for the relevance of the topic received an average of 4.17 out of 5 and the speaker average rating was 4.44.

SIAA webinars delivered 27 CPD hours as shown in the table below and provided over 65% of the required professional development CPD.

Webinar CPD breakdown

Client care & practice	3
Professionalism and ethics	6
Regulatory compliance & consumer protection	6
Technical competence	12
Total	27

Workshops

In addition to the four scheduled workshops, SIAA also delivered four workshops tailored to the needs of organisations. Average workshop attendance is increasing year-on-year.

SIAA workshops

	2019 -20	2020 -21	2021 -22
Face-to-face	11	0	0
Online	1	5	4
Average number of attendees	12	20	28

CPD breakdown for 2021-2022

	Conference	Workshops	Webinars	Total SIAA-accredited CPD	Total required CPD
Client care & practice	3	0	3	6	5
Professionalism and ethics	3	3	6	12	9
Regulatory compliance & consumer protection	2	4	6	12	5
Technical competence	5	1	12	18	5
General	2	0	0	2	16
Total	15	8	27	50	40

SIAA-accredited CPD

Members would have comfortably attained all their CPD via SIAA-accredited activities, including in the challenging categories of Client care & practice and Professionalism & ethics. With the conference held in May, it provides the perfect forum for members to complete CPD in any Professional Standard category where hours may be lacking.

The table above provides the breakdown of all CPD types available via SIAA activities during the 2021-2022 financial year. More than half of the CPD hours SIAA offered were free for members.

Education partnership

An educational partnership with Global X, a member of the Mirae Asset Financial Group, commenced in late 2021. This partnership, still ongoing, has facilitated the delivery of educational material via a webinar and SIAA's publications.

Accreditations

SIAA's accreditation courses continue to support the industry by providing the necessary skills for those providing

general advice in the securities and derivatives industry, as well as those already listed on the Financial Advisers Register who wish to add an additional RG146 specialist knowledge area to their existing credentials and licensees whose representatives provide advice to wholesale clients (Optional under RG146.35). Our accreditation courses were mapped again by Kaplan to ensure they continue to provide high standards of training to the industry.

During the 2021-2022 financial year SIAA enrolled 313 students with 273 having successfully completed their SIAA course. This is an increase from the previous year when 175 students successfully completed a SIAA course. Over the course of the year the number of students electing to have their exams proctored online increased.

DTR enrolments and applications to the National DTR Register have also increased, with 89 enrolments in the past financial year. Of those, 50 successfully completed the accreditation. As at 30 June 2022 there were 323 listed on the National DTR Register which includes the 41 applications approved in the last financial year.

GOVERNANCE

In the first half of 2022, work commenced on a new Constitution to take to members at the 2022 AGM. Like any other legal document, a company Constitution needs to be periodically reviewed and amended to ensure it provides a high standard of governance for the Association, as well as to ensure that the Association has flexibility in its structure and activities to remain responsive to member needs.

Accountability

The directors and CEO continue to ensure transparency of how the Association is implementing its strategy and reporting on whether it is achieving strategic objectives as set out in the strategic framework for 2020–2023 with this annual report.

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 (except Audit and Nominations) 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 SIAA's compulsory CPD program which ensures members maintain and continuously improve their knowledge, skills and abilities.

Stewardship

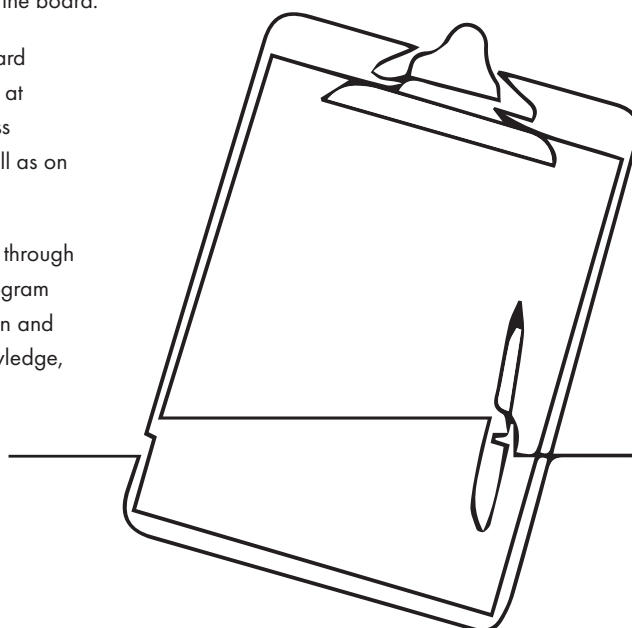
SIAA is managed for the benefit of its members. The directors and the CEO have worked to ensure organisational sustainability through sound financial management. COVID had a significant impact on SIAA's finances over the past two years, as shown in the financial statements.

Integrity

All members must abide by SIAA's 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, SIAA 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 2022.



(from left to right) Scott Webster; Jane Tandy; Brian Sheahan; Andrew Fleming; Steven Arnison; Judith Fox; Matthew Nicholls and Chris Webster.
Directors Andrew Bird and Liam Madden not included.

Directors

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

BRIAN SHEAHAN MSIAA

Appointed 07/11/2012

Elected Chairman 22/11/18

BCom; BS (Geology), SF FIN

Brian serves on SIAA'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 MeSIAA

Appointed 13/09/21

BEc, LLB (Honours)

Steven has been General Counsel at Shaw and Partners since 2009 and also Company Secretary, having held that role since 2019. He is an ASIC Responsible Manager, Anti-Money Laundering Officer and Privacy Officer.

Steven 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 \$7 million for various charities since its

inception over six years ago. Prior to joining Shaw and Partners, Steven was a Senior Associate with a boutique Sydney practice, focused on commercial litigation and business acquisitions.

ANDREW BIRD MeSIAA

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.

ANDREW FLEMING MSIAA

Appointed 26/11/15

*BBus; MBA; GradDipAppFin;
DipStockbroking*

Andrew is Chair of SIAA'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 MSIAA

Appointed 7/11/13

*Resigned 18/7/22
BS (Econ)*

Stuart served on the Broking Committee. He was Chief Executive Officer for Instinet Pacific Limited. His role included management and oversight of Instinet's offices in Hong Kong, Singapore and

Sydney and he was 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 retained 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.

LIAM MADDEN MSIAA

Appointed 26/07/22

MBL; LLB; BA

Liam has been General Counsel, Asia with Instinet since 2016, based in Australia. He is a member of the regional Executive Committee. Prior to this role he was Instinet's regional Head of Legal and Compliance, having moved to Hong Kong in 2008.

He has been a practising lawyer for over 25 years, having commenced his career in private practice, primarily as an insurance and commercial litigator. He was appointed to partner in 2001 with Abbott Tout Lawyers. He moved into an in-house role with CMC Markets in 2006 as their Chief Legal Counsel for the Asia Pacific Region.

Liam has deep knowledge of the stockbroking market and regulation of the industry, both in Australia and

overseas where he had experience with both the Hong Kong and Singapore regulatory environments. His background and current role provide extensive understanding of the technology side of the industry and its many associated governance and control issues.

MATTHEW NICHOLLS MSIAA

Appointed 17/12/21

CertFM; DipStockbroking

Matthew serves on the Broking Committee. He is the Head of Investment Solutions at Morgan Stanley responsible for managing and overseeing the Trading, Product and Platform divisions within Wealth Management. He is also the ASIC Responsible Manager for Morgan Stanley Wealth Management, having previously been the ASX Responsible Executive.

Matthew's experience over 28 years spans front, middle and back office roles across institutional, high net worth and retail stockbroking and advisory firms. Prior to joining Morgan Stanley he worked for Bank of Singapore Stockbroking; TD Waterhouse; Potter Warburg; E*Trade; HSBC; and Macquarie Private Wealth. Matthew is currently completing a Masters in Business Administration.

JANE TANDY MSIAA

Appointed 24/5/17

BCom; GradCertFinPlan; GAICD

Jane serves on the Profession Committee. She is the Group Chief Operating Officer at Canaccord Genuity Financial Limited. She commenced her career as a Dealer's Assistant in 2003 and held a number of positions in both front and back office roles before moving into the COO role



DIRECTORS' REPORT continued

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 MSIAA

Appointed 22/11/18

Resigned 3/8/22

BCom; BEc; CFA; GradDipAppFin

Michael is a Senior Partner at LGT Crestone and the Head of the advisory business for NSW, QLD and SA. He sits on LGT 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 MeSIAA

Appointed 14/11/19

Resigned 22/10/21

MBA; GAICD

Astrid was 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 MSIAA

Appointed 15/2/21

BCom; GradDipAppFin; GradDipACG

Chris chairs 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 MSIAA

Appointed 26/11/15

BCom; FCA

Scott serves on the Broking Committee. He is CEO, FNZ 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 SIAA, 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

Ann Phillips (appointed July 2021)

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

Principal activities, objectives and strategies

SIAA is a not-for-profit membership association, dedicated to supporting and promoting the value of the stockbroking and investment advice industry to serve the interests of Australian investors. We represent the interests of organisations and individuals in the securities and derivatives industry through advocacy for

Directors' attendance at board meetings

During 2021/22 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	5
Steven Arnison	13/9/21		4	3
Andrew Bird			6	4
Nicholas Burmester		31/8/21	2	2
Andrew Fleming			6	6
Stuart Knowling		18/7/22	6	5
Liam Madden	26/7/22		0	0
Matthew Nicholls	17/12/21		2	2
Jane Tandy			6	6
Michael Tritton		3/8/22	6	4
Astrid Ullmann		22/10/21	3	3
Chris Webster			6	5
Scott Webster			6	6
Judith Fox			6	6

- increase awareness amongst the community, government and regulators of who our members are, what they do and the value they add
- educate the profession to build skills and knowledge
- promote the value of professional association membership to all investment and wealth advisers
- communicate to all stakeholders our purpose and the value our industry adds to the Australian economy through supporting Australian investors and businesses to generate wealth.

Key performance measures

The association measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the strategic objectives are being achieved.

legislation and regulatory frameworks that support professionals to provide access to equity capital markets and trusted investment and wealth advice.

We develop the skills and knowledge to help professionals assist Australians to make effective investment decisions and manage their wealth over a lifetime through quality education and professional development for members. We set and enforce professional and ethical standards for those providing securities and investment advice,

execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses.

There was no significant change in the nature of the activities during the year and the operations are in accordance with the constitution.

SIAA's strategic objectives are to:

- extend SIAA's engagement and influence with government, regulators and stakeholders



Stockbrokers and Investment
Advisers Association

Serving the interests of investors

Stockbrokers and Investment Advisers Association

Level 5, 56 Pitt Street, Sydney NSW 2000

(tel) + 61 2 8080 3200 (email) info@stockbrokers.org.au

www.stockbrokers.org.au