

# Financial Advice

NEW ZEALAND



## HELPING NEW ZEALANDERS THRIVE

By growing respected, trusted, and professional financial advisers

# ANNUAL REPORT 2022



**FROM THE BOARD CHAIR**

Hon. Heather Roy

When Sue Brown, Financial Advice New Zealand's inaugural Chair, signed off at the 2021 AGM she thanked members for their vision and drive for professionalism. I thank Sue for her leadership of our professional body through its early years.

Despite the challenges in the current environment the successes of the year gone are significant. The new Constitution has been implemented and is serving well. We are financially more secure and this has enabled the Board to support Katrina and her team to do even more for members. Our strategic goal of growing the membership saw Learning & Development and Business Development Manager roles established during the year. We unashamedly aspire to have every financial adviser in the country belong to Financial Advice New Zealand.

Advocacy for members has been the greatest achievement in the past year. Katrina has done a spectacular job of having changes made to CoFI and CCCFA. It is not easy getting legislation changed, but she managed this with skill and tenacity.

The Board thanks Katrina and her team for their drive and commitment to ensuring standards, advocacy and promotion are achieved. My thanks also to the Board for their strong governance leadership throughout the year.

I believe a good board is never invisible. Board members are committed to joining you at regional events and Conference. We are here to support you in your professional endeavours.

**FROM THE CEO**

Katrina Shanks



The past year has been another which has tested our mettle. I am proud of the financial advice sector and the resilience it has shown in times of uncertainty, both personally, professionally, and when continuing to sustain and build your advice businesses.

At Financial Advice NZ we focused on ensuring we stayed connected with the membership through weekly newsletters, weekly 'Bring in The Experts' webinars, a 'Back to the Regions' regional roadshow, a virtual conference, and a 'This is your Story' series for some light entertainment.

Advocacy was a significant focus for us, with success for advisers in the changes we helped achieve to CoFI and CCCFA. This demonstrates the influence we can have with a strong collective voice.

We will continue to stay focused on outcomes that ensure we have a strong financial advice sector and good consumer outcomes.

We delivered a fantastic Money Week series and delivered a successful CFP\* social media campaign. Most importantly, we produced a research report on "Better Behaviours". This independently proved the financial advice you provide changes people's lives and makes a real difference to their financial wellbeing.

Our Financial Advice NZ community has many contributors behind the scenes who work tirelessly. Thank you to the MACs, Corporate Associate Forum participants, Regional Leaders, and the Certification Committee members. A big thanks also to the Board and the team in the office who continue to support the vision of Financial Advice NZ.

# MEMBERSHIP



1,514 members  
284 new members  
221 with the CFP\* mark  
19 with the CLU\* mark  
457 hold the Trusted Adviser mark

## 2022 PULSE MEMBERSHIP SURVEY ARE WE MOVING IN THE RIGHT DIRECTION?



85% of members believe  
Financial Advice NZ is on  
course or totally on course

97% of members are definitely or  
probably likely to recommend  
membership to others



### PROMOTION

74% of members said that we are either on course  
or totally on course



### ADVOCACY

86% of members said that we are either on course  
or totally on course



### STANDARDS

88% of members said that we are either on  
course or totally on course



66% of members rate receiving relevant learning  
and development as most important, followed by  
keeping up to date with compliance.

## PROMOTION



201,562 website page visits  
16,618 Find an Adviser searches

8.3 million social media impressions  
and Google display ads



# RESEARCH ON THE VALUE OF FINANCIAL ADVICE

Building on the research report from 2020, Trust in Advice, which clearly showed that financial advice and advisers are trusted and highly valued, the 2022 **Better Behaviours** report measures the extent of positive financial behaviours demonstrated by advised Kiwis compared to those who are unadvised.

With budgets and plans in place, advised consumers are more confident in making big financial decisions with 94% saying they are very or reasonably confident compared to 83% of the unadvised.

Beyond KiwiSaver and property, advised Kiwis are more likely to have other investments (61% vs 35%), indicating they have a wider diversification of investment assets than the unadvised.

Across the advised and unadvised wage/salary earners, both groups had high rates of KiwiSaver contribution (82% vs 72%).

86% of advised Kiwis with a mortgage have reviewed that mortgage in the last year, but only 68% of unadvised have done the same.

Across every age band, advised Kiwis feel they have a better understanding of how much money they will need in retirement (62% vs 40% overall).

Almost twice as many advised Kiwis have life insurance (59% compared to 32%) and health insurance (55% compared to 28%) than unadvised.

## MORE FOR OUR MEMBERS

### A NEW PROFESSIONAL LIABILITY PROGRAMME

A bespoke programme tailored specifically for FAPs with the cover they require to provide financial advice in the new regime.

### GROUP LIFE AND TPD INSURANCE

A new discounted Group Life and TPD insurance plan which includes a Best Doctors Benefit.



### A COLLECTIVE VOICE

Financial Advice NZ has been actively advocating for our members in the last 12 months across a range of regulatory and legislative issues. This has included: CCCFA, CoFI, the NZ Income Insurance Scheme and Improving Insurance Contract Law.

### NEW MEMBERSHIP BENEFITS (n3)

Members now have access to discounts at over 20 businesses.



# ADVOCACY

## IN THE HEADLINES...

Lenders and brokers challenge minister to publish terms of inquiry into lending law disruption

Insurers and industry react to Government's proposed Income Insurance Scheme ● ● ●



Financial Advice NZ CEO goes into bat for advisers over CCCFA

Mortgage brokers celebrate changes to controversial lending laws

Banks less willing to lend following CCCFA changes - mortgage adviser survey

Strict lending rules tweaked, giving first home buyers hope ● ● ●

# STANDARDS



## TOOLKITS AND BEST PRACTICE GUIDES DEVELOPED TO HELP MEMBERS MEET THEIR OBLIGATIONS



## 2021 ADVISER CONFERENCE BE INSPIRED, BE ENERGISED

A 2-day interactive and engaging virtual conference.  
500+ attendees  
18 speakers



## PROFESSIONAL ETHICS WORKSHOPS

16 Workshops  
200 Participants

## BACK TO OUR REGIONS ROADSHOW

Featuring expert economists, legislation and regulations update, Professional Liability Programme overview and FAP Licensing assistance with the FMA.  
Six locations  
300 attendees

# SUMMARY OF ACCOUNTS

30 JUNE 2022

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
<b>Revenue</b>		
Grants, Sponsorship and Other Similar Revenue	17,391	50,032
Fees, Subscriptions and Other Revenue from Members	1,104,178	1,119,008
Revenue from Providing Goods or Services	425,324	306,100
Interest, Dividends and Other Investment Revenue	3,285	4,621
<b>Total Revenue</b>	<b>1,550,179</b>	<b>1,479,761</b>
<b>Expenses</b>		
Board and Governance Costs	177,898	171,039
Volunteer and Employee Related Costs	740,036	582,956
Costs Related to Providing Goods or Services	513,909	531,163
Other Expenses	35,223	16,285
<b>Total Expenses</b>	<b>1,467,065</b>	<b>1,301,443</b>
<b>Surplus Before Tax for the Year</b>	<b>83,114</b>	<b>178,318</b>
Income Tax	17,293	11,583
<b>Surplus After Tax for the Year</b>	<b>65,821</b>	<b>166,735</b>

STATEMENT OF FINANCIAL POSITION	2022	2021
<b>Assets</b>		
Bank and Cash / (Bank Overdraft)	820,967	493,933
Debtors and Prepayments	332,600	142,017
Property, Plant and Equipment	17,808	22,341
<b>Total Assets</b>	<b>1,171,375</b>	<b>658,291</b>
<b>Liabilities</b>		
Creditors and Accrued Expenses	551,129	129,018
Employee Costs Payable	22,697	27,936
Other Current Liabilities	9,367	(21,023)
<b>Total Liabilities</b>	<b>583,193</b>	<b>135,931</b>
<b>Net Assets</b>	<b>588,181</b>	<b>522,361</b>
<b>Accumulated Funds</b>		
Capital Contributed by Owners or Members	194,145	194,145
Accumulated Surpluses	394,036	328,215
<b>Total Accumulated Funds</b>	<b>588,181</b>	<b>522,361</b>