



**Private & Confidential**

Peter Wilson AM FCPA  
President and Chairman of the Board  
CPA Australia  
Level 20, 28 Freshwater Place  
Southbank VIC 3006

17 July 2018

Dear Mr Wilson

**Post Implementation Review of CPA Australia Advice**

Thank you for engaging PwC Strategy& to undertake a post implementation review for CPA Australia (“CPA”) of the CPA Australia Advice business for your use and benefit.

**Scope of Review**

The scope of our review included:

- Reviewing the strategic rationale for CPA Australia Advice
- An assessment of the financial viability of CPA Australia Advice
- Advice on potential options for CPA Australia to exit CPA Australia Advice.

**Our View**

Having completed the review, our views are as follows:

- On balance the original rationale for establishing CPA Australia Advice was valid and remains so. CPA should consider options for continuing to support members who wish to provide financial product advice
- Demand from members for the CPA Australia Advice offering in the form established was insufficient to ensure financial viability and we have found no evidence to suggest that future demand for the offering in its current form will increase to a financially viable level. As such, we recommend CPA consider exiting CPA Australia Advice in its current form
- CPA should undertake a detailed investigation of the most appropriate model for providing members who provide financial product advice with support and we believe there are a number of potential models that should be considered
- In considering whether there is a viable model for supporting these members, CPA should review and take account of the evolving legislative, regulatory, competitor and consumer environment impacting the delivery of financial product, accounting and related advice, the advisers who provide it and the potential evolution of CPA public practice member business models
- To provide as much certainty as possible to existing Authorised Representatives of CPA Australia Advice, CPA should consider commencing exploring its options, as outlined above, as soon as possible. This includes developing a plan for supporting these Authorised



**strategy&**

Representatives should CPA decide to exit CPA Australia Advice, whether or not an alternative model for supporting these members is established by CPA.

Yours faithfully

A handwritten signature in black ink that reads 'Anthony James'.

**Anthony James**  
*Partner*  
*Asset & Wealth Management Leader, PwC*