

7 December 2018

By email  
[consultation@fasea.gov.au](mailto:consultation@fasea.gov.au)

To Whom It May Concern,

**Re: Continuing Professional Development Legislative Instrument**

FINSIA<sup>1</sup> thanks FASEA for the opportunity to provide feedback on the exposure draft of *Continuing Professional Development Legislative Instrument*.

Overall, FINSIA supports the provisions of the draft. We do note the following issues:

- We do not support s7(3) of the draft, which states 'If a CPD activity is in more than 1 CPD area, it is only to be counted as being in the CPD area to which it predominantly relates.' In our view and in line with current practice, if a CPD activity is in more than one CPD area, the total number of CPD hours for the activity should be divided among each CPD area to which the CPD activity relates. Our recommended approach better reflects the likelihood that when a CPD activity covers multiple CPD areas, each area is explored less intensively than if say only one CPD area were covered.
- We recommend that for each CPD area, examples of qualifying CPD activities that are in that area be included in the Explanatory Statement.
- We question whether the requirement prescribed in s9(1) of the draft that a relevant provider must complete a minimum of 40 hours of qualifying CPD activities during a CPD year is excessive. Such a requirement is on par with the current requirement for the holders of peak professional designations in financial advice. We question whether there is any evidence that every relevant provider needs to achieve the same standard as the holders of peak designations.
- We question whether s9(2) of the draft is too prescriptive. Our preferred approach is that the draft prescribe a minimum of 3 hours of qualifying CPD activities in professionalism and ethics and not prescribe a minimum number of hours in any other CPD area. However, the draft should require that a relevant provider undertake sufficient qualifying CPD activities in each CPD area to ensure they maintain the competence necessary to provide advice in the areas they provide advice.
- We recommend that s9(3) of the draft be amended to the following: 'If the relevant provider has a responsible licensee, at least 70% of the minimum number of hours referred to in subsection (1) must be spent on qualifying CPD activities approved by

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<sup>1</sup> FINSIA is a professional body for individuals. Our members are from the financial services sector, bringing with them a broad range of knowledge, experience and views.

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the licensee or an education provider or professional association.’ This change would promote greater consistency of CPD approval practices across the financial advice sector.

- The Explanatory Statement should clarify that the record-keeping requirements in s 12 of the draft can be met where the relevant provider ensures that their licensee is making and maintaining complete and accurate records on their behalf of the matters mentioned in s12(a)-(e).
- FPS004 *Continuing Professional Development Policy* (November 2018) states (at p 7) that ‘Education that is measurable, appropriately assessed and leads to further qualification outcomes for participants is preferred as it more likely provides structured and independent results for the participants work and training needs.’ We recommend that FASEA clarify that the basis for the preference mentioned above is not that the education is likely to result in individuals achieving further qualification, but rather that the education can be articulated to a qualification or further qualification.

Should there be further queries relating to this submission, please contact Dimitri Diamantes SA Fin, Head of Policy: [d.diamantes@finsia.com.au](mailto:d.diamantes@finsia.com.au)

Kind regards,

**Dimitri Diamantes**  
**Head of Policy**