

31 August 2018



By email

consultation@fasea.gov.au

Dear Standards Authority,

Re: Continuing Professional Development (CPD) guidance

FINSIA thanks FASEA for the opportunity to provide feedback on the proposed CPD guidance for financial advisers.

Generally, FINSIA supports FASEA's approach and agrees that continuing development of skills and knowledge is a hallmark of recognised professions, and that the process of professionalisation is desirable across all sectors of the financial services industry.

Responsibilities for CPD

FINSIA notes that some licensees already mandate that their advisers complete 40 hours of CPD per annum to meet professional association requirements, such as those of the Financial Planning Association (FPA).

The CPD policy of FINSIA is currently under review. Although our membership includes finance professionals outside of financial planning, our approach is to ensure alignment with FASEA's requirements for financial advisers.

FINSIA members raised concerns about quality of programs, as well as access and cost considerations particularly for advisers in regional locations. As the number of mandated CPD hours is raised, the more the issue of program or activity quality comes into focus. Members are concerned about their ability to access meaningful programs across each of the proposed categories.

It is appropriate that licensees have a CPD policy. Publication of this policy may also be a valuable tool for consumers, and raise confidence and trust in the financial advice profession.

It is also appropriate that relevant providers are actively involved with their licensee in the develop and maintenance of a Professional Development Plan.

CPD requirements

FINSIA agrees with the hours-based system of CPD calculation, particularly as this is the approach adopted by the Tax Practitioners Board (TPB). Considering the number of advisers who are also accredited by the TPB, FINSIA submits that CPD completed for the TPB should also be recognised by FASEA.

FINSIA also supports the proposed types of CPD recognised by FASEA, including recognition of formal education programs in meeting the requirements. The categories and suggested minimum hours are helpful as a guide, but FINSIA cautions against them being

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treated proscriptively. It was noted by members, for example, that low volumes of legislative change may make the 'regulatory compliance' category less relevant in some years. On this basis, an 'if not, why not' approach to CPD categories should be considered. In finalising the CPD requirements, more detailed guidance on the categories will be beneficial for licensees and relevant providers in identifying suitable activities.

On record keeping, FINSIA notes that cooperation between licensees and CPD providers is desirable to ensure accurate maintenance and transferability of records. This is necessary, for example, if a relevant provider transfers employment to another licensee during a year where CPD is recorded.

At this stage, FINSIA agrees with FASEA's approach of not accrediting CPD providers. Noting the concerns raised above about quality of CPD programs, FINSIA supports the proposal to provide a guide to licensees and relevant providers about the principles that should underpin the development of a professional development plan, types of CPD, and what to consider in selecting CPD programs and activities.

In future, it may be desirable for FASEA to review the quality of CPD activities registered by licensees and relevant providers. This would address the concerns raised above about program or activity quality relative to mandated CPD hours.

Proposed templates

FINSIA agrees that the proposed CPD activity report and professional development plan templates would be useful guides to assist with meeting the new CPD requirements.

Should there be further queries relating to this submission, please contact Caroline Falshaw A Fin, Policy Consultant: c.falshaw@finsia.com.

With kind regards,



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CEO and Managing Director, FINSIA