

Continuing Professional Development Policy

Overview

This document is issued by CWM Perth Financial Planning (ABN 24 522 756 593, AFSL 436740) to assist advisers who are authorised by this licensee to:

1. Understand our continuing professional development (CPD) approach and policy
2. Explain how we define CPD plans
3. Outline how we monitor the implementation of CPD plans
4. Outline how we assess and approve activities, and attribute CPD hours to them
5. Understand their obligations and the opportunities regarding CPD

What is our CPD approach?

Continuing Professional Development is important for advisers to maintain the currency of their qualifications and keep up-to-date with relevant industry developments, as well as develop new knowledge and skills that are relevant to their practice as a financial adviser and, where relevant, practice owner.

However, it is also an avenue to enhance the professional and personal capabilities of an adviser beyond the minimum requirements.

Our CPD plans are designed to meet the minimum regulatory requirements as defined by FASEA and enable the tracking of learning beyond the minimum to ensure the complete picture is both trackable and visible.

The learning and training options made available to our advisers will enable them to meet those obligations and also provide opportunity to enhance their professional and personal capabilities through a variety of means.

What are your obligations?

All advisers must meet the requirements for continuing professional development set by the Financial Advice Standards and Ethics Authority (FASEA). Additionally, it is an obligation under the FASEA Code of Ethics that advisers *“must develop, maintain and apply a high level of relevant knowledge and skills.”*

Under the TASA Code of Conduct, advisers are required to maintain the knowledge and skills relevant to the tax (financial) advice services they provide. As such, we expect all advisers to comply with the Tax Practitioners Board (TPB) continuing professional education (CPE) requirements, regardless of whether they are registered as a tax (financial) adviser or conducting advice services under an approved supervisory model.

Our CPD plans are designed to cater for the minimum requirements set by FASEA and the TPB for tax (financial) advisers.

In addition, advisers must meet the requirements as defined by the professional association with whom they hold membership. To ensure they meet the requirements for their particular membership category, advisers should contact the relevant professional association directly.

As an authorised representative of CWM Perth Financial Planning, we expect advisers to seek learning opportunities to meet their CPD obligations in a way that develops their competence in the financial advice services they are authorised to provide and enhances their professional and personal capabilities.

What are our CPD requirements?

The defined CPD year adopted for CWM Perth Financial Planning is 1 July to 30 June.

The below CPD obligations, as defined by the FASEA Standards for existing advisers, are effective from 1 January 2019. As such, the CPD plans for the year 1 July 2018 to 30 June 2019 have been amended to comply with the legislative requirements. Please refer to the Appendices for details of the new CPD plans and the changes for the existing CPD plans.

Minimum CPD Hours

The CPD requirements defined by FASEA for advisers apply regardless of the level of authorisation. Therefore, the minimum total number of hours per CPD year (annual) for each role type is as detailed below.

The minimum total hours must be met with qualifying CPD activities. Any activity that is determined to be non-qualifying cannot be counted towards the CPD plan targets.

Role Type	FASEA CPD Minimum	TPB CPE Minimum
Financial Adviser	40 CPD hours	20 TASA CPE hours

Notes:

TPB CPE: TASA CPE hours may be accrued alongside financial planning CPD hours. Most learning completed that has a financial planning focus meets both FASEA CPD and TPB CPE requirements. Advisers who are registered tax agents must comply with the TPB CPE requirements as a tax agent and will therefore not be allocated TASA hours in their CPD plan as there are differing CPE requirements for that registration type and this must be managed separately by the individual.

Part-time Work: Advisers who work part time in any CPD year can apply in writing to CWM Perth Financial Planning for a reduction in the minimum total CPD hours (to 36 hours) to be completed. It is each advisers' responsibility to obtain this approval within a reasonable timeframe of making a change in their working hours. Retrospective applications will not be considered.

Minimum CPD Area Targets

All CPD plans must meet the minimum hours per year in the specific knowledge areas as identified below.

CPD Area	Description	Minimum
Technical competence	The activity is designed to enhance participants' technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.	5 hours
Client care and practice	The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients.	5 hours
Regulatory compliance and consumer protection	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.	5 hours
Professionalism and ethics	The activity is designed to enhance participants' capacity to act as an ethical professional.	9 hours
General	The activity is designed to maintain and extend participants' professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments, but is not in an area referred to in another item of this table.	No minimum

An activity can count towards multiple CPD areas, as long as there is no double counting of hours. For example, where an activity that is eligible for 1 CPD hour meets the requirements for both the Technical Competence and Regulatory Compliance CPD areas, the total CPD counted will be 1 CPD hour allocated as 0.5 CPD hour Technical Competence and 0.5 CPD hour Regulatory Compliance.

How will my CPD plan be defined?

As a starting point, each adviser will be assigned a CPD plan relevant to their authorised advice areas. Each CPD plan will have a number of hours that remain untargeted to a specific knowledge area, so they can be used to support the development areas identified for the adviser by either the adviser or the licensee.

Prior to the commencement of each CPD year, advisers must develop a Continuing Professional Development Plan (CPD Plan) that identifies areas for improvement, development and extension of their competence, knowledge and skills, and describe the qualifying CPD activities they will complete during the CPD year to achieve those improvements. The CPD Plan must be provided to the Licensee for approval, and the Licensee may increase minimum hours for certain CPD areas for the adviser.

Throughout the CPD year, the Licensee may add items into the CPD Plan for an adviser based on their individual needs that have been identified through audit or other programs implemented by the Licensee. The adviser may also make changes to the CPD Plan in writing and with approval from the Licensee.

To meet both FASEA CPD Areas and coverage of all required knowledge areas to build and maintain competence for authorised advice areas, the following approach will be implemented (if enabled in the learning management system, Kaplan Ontrack):

- **Fixed Allocation** – These areas will have fixed hourly allocations to ensure coverage within completed CPD activities.
- **Flexible Allocation** – If possible, these areas will have a flexible allocation based on the minimum hours for the FASEA CPD Area to enable the adviser to choose which knowledge area to complete CPD activities.
- **No Allocation** – There is a FASEA CPD area called 'General' which will have no minimum and so does not appear in the CPD Plans, but will be available in Kaplan Ontrack should an adviser complete activity in this CPD area.

What about new advisers?

Newly appointed authorised representatives

For newly appointed authorised representatives who are not participating in a Professional Year (PY) Program, CPD plans will be assigned based on their authorisation date with us and the current CPD year in progress, with any relevant CPD completed with the previous licensee that aligns to our CPD year taken into account. This will ensure the required annual minimums will be met for both FASEA and TPB purposes.

Factors that will be considered are:

- the accuracy and completeness of the records;
- the information in the records and supporting evidence, or in the advisers' previous licensee's CPD policy, about how each activity was approved and accredited; and,
- each activity's compliance as a qualifying CPD activity and with our CPD policy.

Provisional advisers completing a PY program

Provisional advisers are not required to meet CPD obligations while undertaking a PY Program. Where an adviser completes their PY Program during a CPD Year, they will be provided with a CPD plan on a pro-rata basis based on the completion date of the program. As the plan start date will be post-completion of the program, any activities completed during the program will not be eligible for meeting the CPD plan requirements in that CPD year.

What are qualifying and approved CPD activities?

In order to be counted towards a CPD plan, an activity must meet the following requirements to be considered a qualifying CPD activity and at least 70% of those activities must be approved by the licensee.

Requirements for CPD activities to qualify for approval

An activity is a **qualifying CPD activity** if it meets one of the two following circumstances:

A. If the activity meets all of the following requirements:

- the activity aligns to one or more of the CPD areas in the table above;
- the activity has sufficient intellectual and/or practical content;
- the activity primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice business;
- the activity is led or conducted by one or more persons who are appropriate, and have sufficient standing, expertise, academic qualifications and/or practical experience (*This requirement is not applicable to an activity that consists of professional or technical reading*); and,
- the activity is designed to enhance the adviser's knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

Requirements for CPD activities to be approved by the licensee

In addition to meeting the requirements to be a qualifying CPD activity, an activity must meet one of the following requirements to be considered by CWM Perth Financial Planning as a **licensee-approved activity**:

- the activity is accredited by CWM Perth Financial Planning; *or*,
- the activity is professional or technical reading that has been recorded in the licensee's reading journal template and approved by the CWM Perth Financial Planning; *or*,
- the activity is accredited post-1 January 2019 by an approved professional association as meeting the criteria of a FASEA qualifying CPD activity and the association's CPD policy, and has been approved under the Licensee's approval process (refer section below).

Types of CPD activities that are generally suitable for approval

The types of CPD activities that CWM Perth Financial Planning authorised advisers may complete during a CPD year that may be suitable to include in their approved CPD hours include, but are not limited to, the following:

- Licensee Professional Development (PD) Days
- Licensee conferences, workshops or roadshows
- Licensee live webinars
- Licensee approved e-learning modules
- Formal education provided by a registered education provider that has been approved by FASEA (e.g. bridging courses to meet the Education Standard)
- Formal education by a registered education provider or non-formal education by an approved training provider for accreditation in complex advice areas (e.g. SMSF, Aged Care)
- Education or training provided or approved by professional associations, such as conferences, seminars and webinars

The activities listed above that are organised and/or delivered by CWM Perth Financial Planning will be designed to meet the requirements of this CPD policy.

The activities listed above that are organised and/or delivered by other parties (i.e. **external learning activities**) must be submitted to the CWM Perth Financial Planning for review to determine if they meet the requirements of this CPD policy. The process steps are outlined in the next section.

Advisers who themselves lead or conduct qualifying CPD activities for other advisers may count the number of hours spent in preparation and first delivery of the activity (up to 4 hours) towards meeting their CPD requirements if the activity is approved and accredited by the licensee. The process steps are the same as those for external learning activities, which are outlined in the next section.

Should an adviser wish to have any other type of CPD activity approved for their CPD plan, they should contact CWM Perth Financial Planning to discuss the activity or complete the approval process steps outlined in the next section.

Types of CPD activities that may be included as non-approved CPD hours

The types of CPD activities that authorised advisers may complete during a CPD year that may be suitable to be included in their **non-approved CPD hours** include, but are not limited to, conferences, workshops, roadshows or live webinars conducted by the following types of providers:

- Relevant professional associations
- Relevant training providers
- Relevant product or platform providers

Capped activities

Additionally, certain types of approved CPD activities have maximums (i.e. caps) that can be applied in a single CPD year.

Learning Type	Maximum Allowable	Notes
Professional or Technical Reading	4 hours	This activity is considered non-accredited CPD.
Formal Relevant Education	30 hours	As the minimum hours for each CPD Area must be met, it is likely that less than 30 hours will be recognisable in a single CPD year.

For example, if an adviser completes a Graduate Diploma subject or a FASEA bridging course with a higher education provider, such as a university or Kaplan Education, the subject may receive 30 CPD hours. The CPD for this subject is recognised in the CPD year of the course completion date; not spread across CPD years. The CPD recognised in the CPD plan is 15 hours Technical Competence and 15 hours Client Care and Practice. This means that the remaining minimums in the CPD plan are 5 hours Regulatory Compliance and Consumer Protection and 9 hours Professionalism and Ethics, so 14 hours in total.

What is the approval process?

Advisers are expected to collect and maintain evidence of their **external learning activities** (i.e. those activities not organised and/or delivered by CWM Perth Financial Planning, and not completed via Kaplan Ontrack) that are to be reviewed for CPD purposes.

This is not required for **internal learning activities** (i.e. CWM Perth Financial Planning organised and/or delivered), as we will action the requirements for these activities prior to their approval. They will be reviewed and approved using the same guidelines and evidence requirements.

Submission and evidence requirements

All **external learning activities** that are to be reviewed for CPD purposes must be submitted to the CWM Perth Financial Planning and must include the following information from the education, training or activity provider.

- confirmation/evidence of attendance or completion;
- activity date or course completion date;
- details of the type of activity and length of time in hours;
- confirmation that the activity was a qualifying CPD activity;
- CPD accreditation details from an approved professional association (where available) showing FASEA CPD areas and either professional association areas (e.g. FPA Professional Dimensions) or RG 146 areas; and,
- evidence of the outcomes achieved.

Where the provider did not have the CPD activity accredited by an approved professional association, all learning materials, biographies of facilitators/writers/presenters, agenda or lesson plan, evaluation and assessment information or records (where applicable) must also be submitted.

Approval process

In assessing a CPD activity and attributing CPD hours, we will consider the following:

- expertise of the provider (persons and/or entities) delivering the learning, such as accreditation, professional standing, practical expertise and academic qualifications (*are they appropriate to deliver the CPD activity?*);
- target audience for the learning (*e.g. financial planner, senior financial planner, insurance adviser, accountant AR, specialist adviser*);
- level of learning provided (*is it appropriate for the target audience?*);
- quality and scope of technical and/or practical content (*does it contain sufficient intellectual and/or practical content?*);
- structure and method of learning (*is the activity structured in a logical and meaningful way for an adult audience? Does the method of delivery support the learning to be provided?*);
- amount of time spent completing the activity (*total time in hours*);
- stated learning outcomes (*what is the learner going to be able to demonstrate in terms of knowledge, skills or values after completing the activity?*);
- approach for verification of learning outcomes achieved, such as evaluation, polling questions, quizzes and/or assessments (*is it sufficient to evidence the outcomes achieved?*);
- relevance of content to the provision of financial product advice, financial advice services and/or financial advice business.

CPD hours will be attributed based on the estimated time taken to complete all components of the CPD activity (such as watching a presentation or video, reading provided materials etc), including any assessment (estimated using 2.5 minutes per question to read and respond), but excluding any evaluation of the CPD activity. Where an activity is part of a defined event agenda, the agenda will be used to determine the time attributable.

Where an activity has been approved, it will be recorded in the adviser's CPD records on file and in Kaplan Ontrack against the adviser's CPD plan. Where an activity has been declined, we will provide reasons.

Record keeping

Advisers make and maintain all CPD records (including CPD activity completions and supporting evidence) and provide copies to us as the adviser's licensee upon request. Advisers must retain these records for a minimum of seven (7) years from the end of the relevant CPD year. We, as licensee, will conduct all required compliance and reporting activities using this supplied information.

Progress and consequences

We will monitor the implementation of CPD plans for all CWM Perth Financial Planning advisers and check ongoing compliance with this policy and the regulatory requirements as defined by the FASEA CPD Standard.

Ongoing compliance

Ongoing compliance with this policy and the regulatory requirements as defined by the FASEA CPD Standard will be checked by the licensee at one or more of the following check points throughout each CPD year.

- For **licensee** obligations:
 - Onboarding for newly authorised advisers
 - Program completion for PY program participants
 - Quarterly reporting review
 - Annual reporting review
 - CPD plan creation or rollover for a new CPD year
- For **adviser** obligations:
 - Approval of completed CPD activities
 - Quarterly reporting review
 - Annual reporting review
 - CPD plan creation or rollover for a new CPD year

Progress requirements and reporting

Advisers will be required to show progress towards the annual target at the mid-year point, where 50% of the total hour target for their individual CPD plan must be met (not the CPD area targets and not the TASA CPE target).

In the final quarter, we will run reports and communicate progress weekly leading up to 1 June to ensure everyone is able to meet their CPD plan by the due date. From 1 June, follow-up will occur bi-weekly or as required.

Advisers will then have until the end of the CPD year to meet all CPD requirements – i.e. the remaining total hours target, the CPD area targets and the TASA CPE hour target.

Half-year process and consequences for non-compliance

In January each year, we will run a half-year report as at 31 December on each adviser's individual CPD plan. Any adviser that has not met their half-year CPD plan requirements will be included in a report to the team/individual name for a determination. They may make a determination to withhold revenue from and/or suspend the relevant adviser until the CPD requirements are met. Any impacted adviser will be notified in writing of the outcome.

ASIC notification for failed completion

From 15 November 2019, if an adviser does not complete their CPD plan in full by the last day of their CPD year, including the total hours, the minimum knowledge area targets and minimum amount of licensee approved CPD activities, we are required to notify ASIC of this non-compliance after the conclusion of the CPD year.

Full-year process and consequences for non-compliance

In July each year, we will run a full-year (i.e. year-end) report as at 30 June on each adviser's individual CPD plan. Any adviser that has not met all CPD plan requirements will be notified in writing of the identified gaps and that they have thirty (30) days to complete their outstanding CPD. These CPD gaps will be set-up as a stand-alone CPD plan in the learning management system (Kaplan Ontrack) with a due date of 31 July.

If the relevant adviser has not completed their outstanding CPD requirements by 31 July, the matter will be escalated to the team/individual name for a determination. They may make a determination to withhold revenue from and/or suspend the relevant adviser until such time the CPD requirements are met, or terminate the relevant adviser.

Can I suspend my CPD plan?

The TPB and FASEA have a policy whereby an adviser affected by extenuating circumstances can apply for a suspension of their CPD requirements.

We allow the suspension of a CPD plan under certain circumstances to support you in managing your health or the health of others in your family, which also complies with the requirements as defined by FASEA. A suspension of CPD requirements for a specified period of time will be considered on a case-by-case basis and only granted under the following circumstances:

- Maternity or parental leave needs;
- Loss of a family member;
- Serious illness or incapacity of you or a family member.

Application for suspension of CPD cannot be sought due to age, workload or other personal circumstances such as holidays.

Should you wish to apply for a suspension of CPD requirements, please discuss this with CWM Perth Financial Planning for an application. The completed form should be forwarded, together with any supporting documentation (e.g. doctor's certificates).

What if I take an extended break?

This section applies if you have not been practising or authorised for an extended period of time.

If you have not been practising or take extended leave for a period of **up to 2 years**, there are no additional CPD obligations you need to meet prior to resuming practice or being re-authorised. However, you will be required to complete any mandatory learning modules and other learning that is required to ensure you are up-to-date with any regulatory or licensee changes that occurred during that period. Your learning plan will be defined by us and

must be completed within the specified timeframe as a condition of re-commencement (if you maintained authorisation during that period) or re-authorisation (if your authorisation was ceased during that period).

If you have not been practising or take extended leave for a period of **more than 2 years**, there are CPD and learning obligations you need to meet prior to resuming practice or being re-authorised. We will work with you to determine a suitable learning plan covering your CPD plan (which may include additional CPD for your first year after re-authorisation), and any mandatory learning modules and other learning that is required to ensure you are up-to-date with any regulatory or licensee changes that occurred during your period of leave. Your learning plan must be completed within the specified timeframe as a condition of re-commencement (if you maintained authorisation during that period) or re-authorisation (if your authorisation was ceased during that period).

Queries & further information

Should you require assistance in tracking your obligations under your professional association membership, please contact the Chris Cornish to discuss your options.

Additional queries should be directed to the Chris Cornish via email to chris@cornishwealth.com.au

Appendix 1:

CPD Plans from 1 July 2020

FASEA CPD Area	Kaplan Ontrack Knowledge Areas	Full AR CPD Plan	Accountant Limited AR CPD Plan
CORE REQUIREMENTS			
Technical competence – core areas	<ul style="list-style-type: none"> Financial Planning * Superannuation * Retirement Income Streams * Managed Investments Fixed Interest Deposit Products Life Insurance Estate Planning * Social Security & Aged Care Personal Taxation Issues * 	5 hours (Flexible allocation across areas)	5 hours (* Fixed minimum allocation across these areas)
Client care and practice	<ul style="list-style-type: none"> Skills Personal Skills Development Practice Management 	5 hours (Flexible allocation across areas)	5 hours (Flexible allocation across areas)
Regulatory compliance and consumer protection	<ul style="list-style-type: none"> Generic Knowledge Content from Technical Competence that is a Structured Compliance module 	5 hours (Flexible allocation across areas)	5 hours (Flexible allocation across areas)
Professionalism and ethics	<ul style="list-style-type: none"> Ethics 	9 hours (Fixed minimum allocation)	9 hours (Fixed minimum allocation)
	Targeted Hours Total	24 hours	24 hours
	<i>Untargeted Hours Sub-Total</i>	<i>16 hours</i>	<i>16 hours</i>
	CPD Hours Sub-Total	40 hours	40 hours
SPECIALIST REQUIREMENTS			
Technical competence – specialist areas	<ul style="list-style-type: none"> SMSF Securities Derivatives Margin Lending 	1 hour per area authorised	1 hour for SMSF
	Targeted Hours Total	28 hours	25 hours
	<i>Potential Untargeted Hours Total (Assuming all specialist areas held)</i>	<i>12 hours</i>	<i>15 hours</i>
	CPD Hours Total	40 hours	40 hours
	TASA CPE Hours Total	20 Hours for Tax (Financial) Advisers	20 Hours for Tax (Financial) Advisers or N/A for Tax Agents

Appendix 2:

CPD Plans for FY19 and FY20

The CPD obligations, as defined by the FASEA Standards for existing advisers, are effective from 1 January 2019 without exception.

Transition requirements

The following changes apply for the CPD Plans that were originally for the FY19 period (1 July 2018 to 30 June 2019):

- CPD plans for the year 1 July 2018 to 30 June 2019 will be closed as at 31 December 2018.
- New CPD plans will commence from 1 January 2019 and conclude 30 June 2020 with a total of 60 hours that must be completed in proportion across 3 periods of 6-months each.

Online learning activities and any external learning activities submitted since 1 January 2019 will be reviewed to determine whether it meets the FASEA and licensee-approval requirements and will then be updated accordingly with the outcome communicated back to the requestor.

Progress requirements and reporting

The target requirements for this CPD Year from 1 January 2019 to 30 June 2020 can be shown as follows.

Timeframe within CPD Year	CPD Target Per Period	TASA CPE Target Per Period
Period 1 – 1 January 2019 to 30 June 2019	20 hours (33% Total)	N/A (no part-year target)
Period 2 – 1 July 2019 to 31 December 2019	20 hours (66% Total)	N/A (no part-year target)
Period 3 – 1 January 2020 to 30 June 2020	20 hours (100% Total)	N/A (no part-year target)
Total Hours for CPD Year	60 hours (100% Total)	20 hours (100%)

Progress requirements, reporting and consequences for non-compliance for this CPD plan will be conducted in the same manner as noted in the section above titled **Progress and consequences**, with Periods 1 and 2 being similar to the half-year requirements.

New CPD Plans

The new CPD Plans for the period of 1 January 2019 to 30 June 2020 will be defined as follows.

Each adviser will be assigned a CPD plan relevant to their authorised advice areas. Each CPD plan will have a number of hours that remain untargeted to a specific knowledge area, so they can be used to support additional coverage for specialist or complex areas, or areas requiring improvement.

FASEA CPD Area	Kaplan Ontrack Knowledge Areas	Full AR CPD Plan	Accountant Limited AR CPD Plan
CORE REQUIREMENTS			
Technical competence – core areas	<ul style="list-style-type: none"> Financial Planning * Superannuation * Retirement Income Streams * Managed Investments Fixed Interest Deposit Products Life Insurance Estate Planning * Social Security & Aged Care Personal Taxation Issues * 	7.5 hours (Flexible allocation across all areas)	7.5 hours (* Fixed minimum allocation across specific areas)
Client care and practice	<ul style="list-style-type: none"> Skills Personal Skills Development Practice Management 	7.5 hours (Flexible allocation across areas)	7.5 hours (Flexible allocation across areas)
Regulatory compliance and consumer protection	<ul style="list-style-type: none"> Generic Knowledge Content from Technical Competence that is a Structured Compliance module 	7.5 hours (Flexible allocation across areas)	7.5 hours (Flexible allocation across areas)
Professionalism and ethics	<ul style="list-style-type: none"> Ethics 	13.5 hours (Fixed minimum allocation)	13.5 hours (Fixed minimum allocation)
	Total Targeted Hours	36 hours	36 hours
	<i>Sub-total Untargeted Hours</i>	<i>24 hours</i>	<i>24 hours</i>
	CPD Hours Sub-Total	60 hours	60 hours
SPECIALIST REQUIREMENTS			
Technical competence – specialist areas	<ul style="list-style-type: none"> SMSF Securities Derivatives Margin Lending 	1.5 hour per area authorised	1.5 hour for SMSF
	<i>Potential Untargeted Hours (Assuming all specialist areas held)</i>	<i>18 hours</i>	<i>22.5 hours</i>
	CPD Hours Total	60 hours	60 hours
	TASA CPE Hours Total	20 Hours for Tax (Financial) Advisers	20 Hours for Tax (Financial) Advisers or N/A for Tax Agents