

May

2024

# financial advice CPD policy

Prepared by

Member Engagement Team



## Contents

Purpose .....	2
Regulatory requirements .....	2
CPD Year .....	2
CPD Plans .....	2
CPD requirement .....	3
Assessment and approval of CPD activities.....	3
Compliance .....	<b>Error! Bookmark not defined.</b>
Evidence and record keeping.....	4
Review .....	4

## Purpose

1. This Policy details the requirements for Continuing Professional Development ('**CPD**') that are specific to representatives of H.E.S.T. Australia Limited who have been authorised to provide personal financial product advice ('**advisers**').
2. This Policy which forms part of HESTA's Compliance Framework, should be read in conjunction with the Professional Development Policy, which includes other general matters relating to training and development including the CPD requirements for employees who provide general advice.

## Regulatory requirements

3. This Policy must ensure compliance with the relevant laws and regulations which include the Corporations Act 2001, Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018, and the authorisations and conditions under HESTA's Australian Financial Services Licence ('**AFSL**').

## CPD Year

4. A '**CPD Year**' for the purposes of this Policy is 1 July to 30 June each year.

## CPD Plans

5. Each adviser will be allocated a **CPD Plan** by the Capability team:
  - a. Before the start of each CPD Year; or
  - b. Within 3 months of commencement for persons who become an adviser after the start of the CPD Year.
6. The CPD Plan must:
  - a. Identify areas for improvement in, and development and extension of, the adviser's competence, knowledge and skills; and
  - b. Describe the qualifying CPD activities the adviser will complete during the CPD Year to achieve those improvements.
7. The CPD Plan must be maintained in HESTA's chosen CPD management platform Kaplan OnTrack ('**Kaplan**').
8. The CPD Plan must be approved by the adviser's manager in Kaplan.
9. Each adviser is responsible for monitoring the implementation of their own CPD Plan on Kaplan.
10. An annual review will be performed by the Compliance Team to verify whether each adviser has fulfilled the CPD requirement.
11. The Compliance Team will work with the relevant advisers' manager and determine subsequent actions where the adviser is not meeting their CPD requirements.

## CPD requirement

12. Each adviser must ensure they undertake a minimum of 40 hours of approved CPD activities in total per CPD Year.
13. The approved CPD activities undertaken must include a minimum of each of the following 'CPD Areas';
  - a) 5 hours of technical competence;
  - b) 5 hours of client care and practice;
  - c) 5 hours of regulatory compliance and consumer protection;
  - d) 9 hours of professionalism and ethics; and
  - e) 5 hours of tax (financial) advice.
14. The approved CPD activities must not include any more than 30 hours of 'formal relevant education' provided by an education provider, which may include;
  - a) a degree, equivalent qualification or course approved under *the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021*;
  - b) education or training provided or approved by a professional association;
  - c) formal education or training study towards qualifications or designations relevant to practice as an adviser.
15. The approved CPD activities must not include any more than 4 hours of professional reading.

## Assessment and approval of CPD activities

16. Activities completed through Kaplan are approved CPD activities and do not require assessment and approval.
17. For CPD activities undertaken outside Kaplan, but from a reputable registered training organisations ('**RTOs**'), is to be entered into KAPLAN for the Capability team to approve. RTOs include:
  - a. Association of Superannuation Funds of Australia (ASFA)
  - b. Financial Advice Association Australia (FAAA)
  - c. SMC Executive
18. For all other CPD activities, advisers must provide details of the activity to the Compliance Team for determination of whether it is a CPD approved activity.
19. The Compliance Team must assess the proposed activity to determine whether it is a qualifying CPD activity as defined in *section 7 of the Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018*, which in summary, must include all of the following;
  - a) the activity is in one of the CPD areas in mentioned in section 13 of this Policy, or, the activity is designed to maintain and extend professional capabilities, knowledge and

skills, including keeping up to date with regulatory, technical and other relevant developments;

- b) the activity has sufficient intellectual or practical content;
- c) the activity primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice business;
- d) the activity is led or conducted by 1 or more persons who are appropriate, and have sufficient standing, expertise, academic qualifications and/or practical experience; and
- e) the activity is designed to enhance advisers' knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

- 20. After assessment, the Compliance Team will notify the adviser if the proposed activity is an approved CPD activity.
- 21. If a CPD activity meets the requirements of more than 1 CPD Area, it must only count towards the CPD Area to which it predominately relates, to ensure there is no double counting.

## **Evidence and record keeping**

- 22. Completion of CPD through Kaplan will automatically be evidenced and a record kept in Kaplan.
- 23. Completion of approved CPD activities outside of Kaplan must be manually loaded into Kaplan by the adviser, including;
  - a. Evidence of completion; and
  - b. The Compliance Team CPD activity approval.

## **Review**

- 24. This Policy will be reviewed on an annual basis by the Policy Owner with the relevant stakeholders (including the Compliance team) and approved by the Chief Engagement & Growth Officer.