

## HESTA Submission- FASEA CPD – December 2018

HESTA welcomes the opportunity to make a brief submission in response to the FASEA - Continuing Professional Development Legislative Instrument that was released on 22 November 2018.

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### About HESTA

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HESTA is an industry superannuation fund, established in 1987 to provide retirement benefits for workers in the Health and Community Services Sector, and we operate only to benefit members. We have over 860,000 members (80% female) and manage over \$47 billion of members' assets.

The typical HESTA member is aged 43, female and has a balance of approx. \$22,000 in superannuation.

Because of our traditional industry base our members are:

1. More likely to live for five years longer than an average Australian male
2. More likely to suffer the inconsistencies and discrimination of the gender pay gap
3. More likely to take time out of the workforce on periods of unpaid leave
4. More likely to be at risk of poverty in retirement.

Our purpose is to make a real difference in the financial future of every member. The settings of the system impact our members, both in the way they enter and interact with superannuation.

We welcome the opportunity to discuss the submission further, should you have any queries please contact James Bennett, Social Impact Specialist, (03) 8665 9217 [jbennett@hesta.com.au](mailto:jbennett@hesta.com.au)

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## FASEA - Continuing Professional Development Legislative Instrument

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HESTA is generally supportive of the requirements of the *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018* ('the CPD instrument'); however, we do have substantial concerns around implementation.

The CPD instrument is still in draft and not expected to be finalised until the end of the year. However, licensees will be expected to comply with the CPD instrument from 1 January 2019.

Compliance with the CPD instrument under the current time frame will require significant effort. Particularly, the ability to record and monitor amounts of CPD under the specific categories identified in Section 9(2) of the CPD instrument will require system development of our learning management system. We have also been made aware by our key training provider that they will need to do the same. It is not feasible that such system development be completed between when the CPD instrument is finalised and when it is proposed to commence. The alternative is to undertake this manually outside of existing systems which introduces significant red tape and is prone to error.

It is also unclear how Section 9(6), which requires a relevant provider to undertake a pro-rated amount of CPD from 1 January 2019 until the start of the licensee's CPD year, will operate when other dependent and enabling sections of the CPD instrument do not commence until the start to the licensee's CPD year. For example, from 1 January 2019 a relevant provider will be required to undertake an amount of CPD during this period without;

- The licensee's CPD Policy (section 5)
- A CPD plan (section 6)
- A process for approval of CPD activities (section 8)

**Recommendation:** Section 9 should not commence until the start of the CPD year, as is the case with Section 5, 6 and 8.

Separately, we are also concerned about the requirement in Section 5(4) to publish the CPD Policy on the licensee's website. It is unclear what policy purpose is achieved in making the CPD Policy publicly available. HESTA's CPD Policy covers more than just the requirements of its relevant providers, and includes CPD requirements of (AFSL) Responsible Managers, (RSE) Responsible Persons, Tax (Financial) Advisers and other employees. HESTA does not want to make all of this information publicly available, and believes maintaining multiple CPD Policies is unnecessary red tape.

**Recommendation:** Section 5 should require licensees to ensure the policy is accessible by relevant providers, but should not be channel specific.