



# Continuous Professional Development Policy

V1 – March 2019

State Trustees Limited (ACN 064 593 148) (AFSL 238037) – Continuous Professional Development Policy (created pursuant to the Corporations (*Relevant Providers Continuing Professional Development Standard*) Determination 2018.)

## **Introduction**

As an Australian financial services licensee, State Trustees Limited (State Trustees) believes that it is essential for its professional employees who are relevant providers to engage in continuous professional development (CPD). The *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017* (Cth) and the *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018* require all relevant providers to meet the Continuing Professional Development Standard set by the Financial Adviser Standards and Ethics Authority Limited (**FASEA**).

## **Application**

This CPD policy applies to employees of State Trustees who are 'relevant providers' within the meaning of section 910A of the *Corporations Act 2001* (Cth). State Trustees may also impose additional CPD requirements for employees holding particular positions within its Financial Planning team.

## **Policy Principles**

The philosophy of the CPD policy is:

- for relevant providers to maintain currency of their technical knowledge
- for relevant providers to enhance and extend their knowledge and skills
- for relevant providers to undertake reflection and development
- to be relevant and flexible
- to be integral to ethical and professional practice

## **What is CPD**

The aim of CPD is to ensure that all relevant providers participate in development programs and activities that ensure they maintain and extend their professional capabilities, knowledge and skills including keeping up to date with all regulatory, technical and other developments relevant to professional practice.

## **CPD Requirements**

In accordance with section 922HA of the *Corporations Act 2001*, State Trustees requires its relevant providers to undertake a minimum of 40 qualifying CPD hours in a calendar year for full time employees and 36 hours for part time employees.

The minimum CPD areas of competence are:

- 5 hours of technical competence
- 5 hours of client care and practice
- 5 hours of regulatory compliance and consumer protection

- 9 hours of professionalism and ethics
- No set minimum hours for general

These hours can include up to 30 hours of formal relevant education and 4 hours of professional or technical reading in a calendar year.

## **CPD Year**

State Trustees' CPD Year for relevant providers will run from 1 January to 31 December inclusive in the relevant year.

## **Areas of Competence**

All relevant providers must have a CPD plan where State Trustees has adopted the following areas of competency. These areas of competency must be considered in determining activities to be included in the CPD plan:

- Technical Competency – Must be designed to enhance the relevant provider's 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.
- Client Care and Practice – Must be designed to enhance the relevant provider's ability to act as a client-centric practitioner in advising retail clients.
- Professionalism and Ethics – Must be designed to enhance the relevant provider's capacity to act as an ethical professional.
- Regulatory Compliance and Consumer Protection – Must be designed to enhance the relevant provider's understanding of applicable legal obligations and how to comply with them.
- General – Must be designed to maintain and extend the relevant provider's 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 above.

## **CPD Plans**

Each relevant provider will have an approved CPD plan prior to the commencement of a new calendar year. For new and returning relevant providers, the CPD plan should be developed within the first three months.

The plan must be assessed to ensure it includes the minimum CPD hours and the minimum areas of competency. It must also consider the relevant provider's individual training need requirements.

CPD plans and any other specific requirements which the relevant provider is required to achieve must be recorded in the Kaplan Professional Ontrack platform.

## Assessment and Approval of Continued Professional Development Plans

Relevant providers can create their own CPD plan with support from their supervisor. All CPD plans must be approved by the State Trustees Manager – Professional Services (**Manager**).

Approval requires assessment to ensure that planned activities within the CPD plan will meet the minimum CPD hours, and the minimum areas of competency, and that 70% of the minimum CPD hours are in accordance with activities approved by State Trustees. The activities approved by State Trustees include:

- Kaplan Professional Ontrack content
- Kaplan Professional higher education subjects and any formal relevant tertiary education - maximum of 30 continued professional development hours
- Education for the purposes of achieving a relevant professional designation (e.g. CFP, FChFP)
- Education for the purposes of meeting requirements in specific financial advice provisions (e.g. Aged Care)
- Sessions/workshops such as conferences, professional development days, and update sessions that are relevant to financial advice
- Professional or technical reading - maximum of 4 CPD hours

The criteria for selecting a CPD activity to be included in the plan are that it must:

- Have clearly defined aims and learning outcomes
- Have a clearly defined, logical structure that follows adult learning principles
- Be current, accurate and up-to-date
- Relate to one of the areas of competency
- Be an appropriate learning level and appropriate technical or practical content
- Deal primarily with matters related to the provision of financial product advice, financial advice services or financial advice business
- Be led or conducted by one or more persons with appropriate expertise, academic qualifications and practical experience
- Enhance relevant providers knowledge and skills, and/or contribute to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice or financial advice services
- Include one or more of the following: workshop, face-to-face presentation, multimedia, worked examples, activities, case studies, tips, warnings, and, if appropriate, reference to relevant legislation
- Have evidence on successful completion, with preference given to activities with a structured assessment component

For new relevant providers, previously completed CPD activities completed during the calendar year can contribute towards minimum CPD hours. The Manager must be satisfied that the completed CPD activities comply with this policy and outcomes can be evidenced.

## **Assessment and approval of CPD plans for employees returning from career breaks**

State Trustees supports relevant providers returning to the workforce. If a relevant provider has not been practising or authorised as a relevant provider for more than two years, additional CPD hours may be required in addition to the pro-rata minimum requirements, to ensure a minimum competency.

## **Evidence on Completion of CPD Activity**

State Trustees has an expectation that outcomes are evidenced by the Manager to determine qualifying CPD activities. Qualifying CPD activities include certificates, digital records and/or transcripts, but must in any case include:

- The name of the activity and the provider and the date the activity was undertaken
- An overview of the activity and the CPD area it relates to
- The duration in minutes and/or hours of the activity
- Evidence that the individual completed the activity, such as an attendance record on a letterhead or official email

## **Recording CPD**

To record qualifying CPD activities, State Trustees authorises the use of the Kaplan Professional Ontrack platform. Each relevant provider is responsible for maintaining their own records in the Kaplan Professional Ontrack platform. Records include CPD overall targets and minimum requirements in each CPD area.

On completion of a CPD activity, the Kaplan Professional Ontrack platform must track CPD hours and results against the CPD plan where the activity was undertaken through Kaplan Professional Ontrack content or Kaplan Professional Ontrack Higher Education. Other CPD activities must be recorded in the Kaplan Professional Ontrack platform once approved by the State Trustees Manager for the group.

## **Monitoring of CPD Activity**

Within six months of the adoption of this policy, State Trustees' internal Audit, Risk and Compliance team will conduct a review to ensure the implementation of each relevant provider's CPD plan and report their findings to the Manager. At least every twelve months a review will be undertaken by State Trustees' internal Audit, Risk & Compliance team to assess each relevant provider's progress against their CPD plan and for compliance with this policy.

## **Policy Compliance**

The licensee requires all relevant providers to comply with this policy. In accordance with s 922HB, *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017* the licensee will notify ASIC where relevant providers do not complete their CPD plan within the calendar year. Relevant providers who do not meet their CPD requirements will be de-authorised as a relevant provider with ASIC.

To re-authorise a relevant provider once removed, the licensee must be satisfied that the relevant provider has met the CPD requirements. This requires approval from the Executive for the group and the Chief Financial Officer.

## **Review of policy**

This CPD policy will be reviewed at least annually by State Trustees' AFSL Committee.