

# I ♥ SMSF

## Response to FASEA Draft Guidance on Continuing Professional Development

### The I Love SMSF Response

I Love SMSF provides this response to the FASEA Draft Guidance on Continuing Professional Development. In providing this response our understanding is that “formal education” as used within the FASEA Draft Guidance document is specific to TEQSA-accredited education offerings.

Our response only addresses those questions from the draft guidance document against which we did not agree, or had commentary.

### Contact

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## Section Responses

### Section 3: Responsibility for Continuous Professional Development

#### 3.1 Do you agree with the proposed requirement for 50 hours of CPD per year, 70% of which should be approved by the licensee? If not, why not?

Professional development is a process of clarifying work priorities, identifying career aspirations and establishing opportunities for building capability at various stages of a career. In principle, I Love SMSF agrees a notional 50 hours of CPD per year would support this.

Whilst agreed in principle, this proposal assumes that licensees and providers have insight into nationally recognised education and training structures, sector training regulation requirements and additional industry driven CPD programs.

In our experience significant tension exists within the sector in meeting compliance for existing regulatory education and training requirements. This tension is created by a lack of understanding of how the nationally recognised education and training framework applies to these requirements, and the multiplicity of regulator and industry requirements in the sector for training and education.

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### 3.1(cont.)

A provider's current regulator and industry requirements for training and education already support a significant allocation of the proposed FASEA CPD requirement. An example of this allocation as specific to the provision of advice in Self Managed Superannuation Funds is provided as follows:

*I Love SMSF currently provides tertiary education and training to the sector offering accreditation as required by ASIC Regulation 146.*

This tertiary level accreditation is in the form of a Statement of Attainment of the specific competencies at Diploma and Advanced Diploma level, regarding the providing of advice in superannuation and self-managed superannuation products, as well as associated financial products. (A full list of the competencies that can be achieved through this course is provided in Appendix 1.) It is noted that these specific competencies do not comprise a complete qualification (as the Financial Services Training Package does not allow for this), but are specific to the provider specialisation in Self Managed Superannuation Funds.

This course is provided via face-to-face and online modes.

- The face to face is inclusive of four full workshop days (24hrs), pre reading (20hrs), and assessment tasks (9hrs)- comprising an estimated total 53 hours.
- The structure of the online mode, with its additional audio-visual resources, is comparable in timing to the face-to-face sessions. Each module takes 6 hours to fully complete, with an online assessment taking an additional 1 hour for each module - comprising an estimated total 56 hours.

I Love SMSF advocates that any additional regulatory CPD requirements developed by FASEA, acknowledge and complement existing regulator and industry training and education requirements.

### 3.2 Do you agree with the proposed Licensee approved CPD approach and the proposal for a published CPD policy? If not, why not?

I Love SMSF agrees in principle with the proposed Licensee approved CPD approach. We would advocate for specific mention in this section of TEQSA and ASQA accredited organisations, as well as organisations recognised and endorsed by industry associations. The current proposal does not acknowledge these nationally regulated training and industry endorsed organisations (i.e. bullet point #4), implying a less rigorous approach to the selection of appropriate CPD activities:

- Process for ensuring CPD activities are provided by persons and/or entities that are appropriate (with sufficient standing, expertise and qualifications); <sup>{1}</sup><sub>{SEP}</sub>

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### Section 4: CPD Requirements <sup>[1]</sup><sub>[SEP]</sub>

#### 4.1 Do you agree with the proposal for an hours based system of CPD calculation? If not, why not?

An hours-based system of CPD calculation supports the current process employed by most industry accrediting bodies for courses and events.

Current practice by some industry associations however, is to apply a multiplication factor to the CPD points for attendance, for two or three times the attendance hours. Additionally these courses and conferences whilst valuable, may not be assessed in line with the Australian Qualifications Framework.

A standard hours based approach to CPD calculations for non-accredited courses and events supports a more equitable approach to CPD activity.

I Love SMSF notes that an hours based system of CPD calculation may not fully reflect the requirements of a formal / non-formal courses, that require the achievement of competency against specific knowledge and skills requirements. An hourly rate arbitrarily applied to a course which includes potentially notional hours in reading, assessment and application to practice, may not adequately reflect each individual's achievement of competence against the course criteria.

Therefore, whilst CPD may be applied to the hours, the provider may not be competent and the CPD allocation is not a true reflection of professional competence.

#### 4.4 Do you agree with formal education as a contribution to the CPD requirement? If not, why not?

I Love SMSF supports the CPD Categories as outlined.

In principle, I Love SMSF agrees with the inclusion of formal education as a contribution to CPD. We also support the notion that FASEA indicates that the **Types of CPD** is provided as "...options that may be considered by a relevant provider..." This supports those providers with extensive industry education and experience and for whom formal education is no longer relevant, to select CPD most suitable for their needs.

I Love SMSF does not agree with the following phrase (bolded and underlined below) in the statement on p.6: "Education that is measurable, appropriately assessed and **leads to further qualification outcomes** for participants is preferred as it more likely provides structured and independent results for the participant's work and training records."

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### 4.4 (cont.)

Whilst formal education is an essential component of professional development, I Love SMSF maintains that application to practice is vital for ongoing professional development. Endorsing the seeking of qualification outcomes from CPD does not support development of provider application to practice through a broad range of CPD experiences. It also does not acknowledge and complement existing regulator and industry training and education requirements.

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### Appendix 1

#### Competencies achieved through I Love SMSF: Family SMSF Advising Courses

On successful completion of the assessment tasks associated with the Family SMSF Advising courses (online or face to face), candidates receive a nationally recognised Statement of Attainment to verify their competence in the required knowledge and skills components (for the listed competencies below) from the FNS10 Financial Services Training Package.

This Statement of Attainment also verifies the candidate's compliance at Tier 1 level under the ASIC RG 146, covering specialist knowledge and skills in superannuation; self managed superannuation funds, securities, life insurance and managed investments.

<b>Code</b>	<b>Name</b>
FNSASIC301	Establish client relationship and analyse needs
FNSASIC302	Develop, present and negotiate client solutions
FNSASICU503	Provide advice in superannuation
FNSASICW503	Provide advice in securities
FNSASICX503	Provide advice in life insurance
FNSASICT503	Provide advice in managed investments
FNSCUS505	Determine client requirements and expectations
FNSCUS506	Record and implement client instructions
FNSIAD502	Provide appropriate and timely information and advice to clients
FNSINC501	Conduct product research to support recommendations
FNSSMS601	Provide advice in self-managed superannuation funds
FNSSMS602	Consider taxation requirements when advising in self-managed superannuation funds
FNSSMS603	Apply legislative and operational requirements to advising in self-managed superannuation funds
FNSSMS501	Invest self-managed superannuation funds assets
FNSSMS505	Support trustee in the selection and performance monitoring of outsourced services