



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

30 November 2018

Mr Stephen Glenfield
Chief Executive Officer
Financial Adviser Standards and Ethics Authority

Email: consultation@fasea.gov.au

Dear Mr Glenfield

RE: Work and Training Requirement Legislative Instrument

The Financial Planning Association of Australia¹ (FPA) welcomes the opportunity to provide feedback in response to the Financial Adviser Standards and Ethics Authority's (FASEA) proposed Work and Training Requirement Legislative Instrument and Explanatory Memorandum.

The FPA supports the introduction of a Professional Year for new advisers and presents enhancements to the proposed Legislative Instrument and Explanatory Statement that would ensure the standards are workable in practice.

The FPA would welcome the opportunity to discuss with the FASEA Board the issues raised in our submission.

If you have any questions, please contact FPA's Head of Policy, Ben Marshan (ben.marshan@fpa.com.au) or myself (dante.degori@fpa.com.au) on 02 9220 4500.

Yours sincerely

Dante De Gori

Chief Executive Officer
Financial Planning Association of Australia

¹ The Financial Planning Association (FPA) has more than 14,000 members and affiliates of whom 11,000 are practicing financial planners and 5,720 CFP professionals. The FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first "policy pillar" is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of FOFA.
- We have an independent conduct review panel, Chaired by Graham McDonald, dealing with investigations and complaints against our members for breaches of our professional rules.
- The first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices. This is being exported to 26-member countries and the more than 175,570 CFP practitioners that make up the FPSB globally.
- We have built a curriculum with 18 Australian Universities for degrees in financial planning. Since 1st July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- CFP certification is the pre-eminent certification in financial planning globally. The educational requirements and standards to attain CFP standing are equal to other professional bodies, e.g. CPA Australia.
- We are recognised as a professional body by the Tax Practitioners Board.



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Work and Training Requirement Legislative Instrument

**FPA submission to
Financial Adviser Standards and Ethics Authority**

30 November 2018



CRITICAL OUTSTANDING ISSUE

Through the process of establishing the Corporations Amendments (Professional Standards of Financial Advisers) Act 2017, the FPA felt it was important to ensure new entrants into the financial planning profession had a clear pathway to follow to meet all of their regulatory registration pathways in one seamless process. It has been an ongoing issue that between the seven regulators of financial advice, there has been inconsistency. For this reason, one of the significant benefits and opportunities afforded to this process of setting a professional year for new entrants was to solve this issue.

The FPA is therefore extremely concerned about the inconsistency between the FASEA proposed professional year requirements and those which are legislated under the Tax Agent Services Act and regulated by the Tax Practitioners Board (TPB).

Discussions the FPA has conducted with the TPB suggest that the Regulator may not accept the proposed FASEA professional year requirements as meeting their experience requirements for registration as a tax (financial) adviser (TFA). The TPB requires an individual with a tertiary qualification to be licensed to provide advice and have experience in providing advice under supervision for a minimum of 12 months. It is our understanding that the TPB has assessed the proposed FASEA PY requirements as equivalent to only 6 months (at most) experience in providing advice under supervision and therefore will not accept the FASEA requirements for TFA registration purposes. The TPB assessment may be due to the FASEA requirement for more direct financial advice experience only being permitted in quarters 3 and 4, and the reliance on hours of work activity, for example.

This is a significant and urgent concern as financial planners are required to be registered with the TPB to be legally permitted to provide “tax advice”. The FPA holds the view that the provision of personal advice is highly likely to include “*advice which interprets and applies the tax laws*” and therefore requires TPB registration. Tax laws include tax, superannuation, insurance and SMSF laws as these are all administered by the Commissioner of Taxation.

This issue would mean that PRP’s would be required to undertake an additional 6 months (or more) of supervised work experience before they can apply for registration with the TPB and provide personal advice in their own right.

Regulatory inconsistency adds significant complexity and inefficiency for businesses and individuals trying to meet the standards to become professional financial advice providers which includes meeting the TPB requirements for registration. Such unnecessary inconsistency, inefficiency and complexity will only serve as a barrier to entry and to drive up the cost of advice for consumers. Regulatory efficiency and consistency across regulators is also in line with the Government’s deregulation agenda.

Recommendation:

The FPA strongly recommends FASEA and the TBP reach agreement that the standards to be included in the final Determination for the purposes of s921B of the Corporations Act, are also sufficient for meeting the experience requirements to register as a tax (financial) adviser. The FPA would welcome the opportunity to work with FASEA, the TPB and other stakeholders to urgently resolve this issue.



LEGISLATIVE INSTRUMENT AND EXPLANATORY STATEMENT

4 Definitions

Responsible licensee

The Exposure Draft Determination and Explanatory Statement define *responsible licensee* as:

responsible licensee, for a provisional relevant provider, means the financial services licensee who has authorised the provider to provide personal advice to retail clients, on behalf of the licensee, in relation to relevant financial products.

Provisions Relevant Providers (PRP) are not legally permitted to ‘provide personal advice to retail clients’. Section 921F(5) of the Act states that it is the supervisor of the PRP who is the legal provider of the advice.

Recommendation:

Amend the definition of *responsible licensee* to:

responsible licensee, for a provisional relevant provider, means the financial services licensee who has authorised the **provisional relevant** provider to provide personal advice to retail clients **under supervision**, on behalf of the licensee, in relation to relevant financial products.

5 Period of professional year

The FPA supports the provisions under section 5 of the Exposure Draft Determination requiring a PRP’s professional year to be a period of at least 1 year.

However, the FPA opposes paragraph 16 of the Explanatory statement and the reliance on hours for the professional year requirements. (See response to section 10 below for detailed discussion).

Page 6 of the FASEA Work & Training Policy states:

“Experience will be gained during the initial phase of employment (i.e. first continuous full time equivalent 12 months of employment) with standard leave arrangements performed as full-time or part-time employment.”

The Determination does not refer to leave arrangements. The FPA would support reference to the standard leave arrangements in the Determination.

Recommendation:

The FPA recommends reference to the standard leave arrangements to be included in the Determination and Explanatory Memorandum.



6 Outcomes and key competencies

The FPA supports most of the provisions in section of the Determination and the Explanatory Statement.

The FPA has concerns about the implied focus of the competency as set in 6(3)(d) of the Determination – *professionalism and ethics: the ability to act as an ethical professional*. We suggest that a competency on ethics should focus more on the values an individual holds, rather than their capacity to act in a certain manner.

Recommendation:

The FPA recommends replacing 6(3)(d) of the Determination with the following competency:

Professionalism and ethics: demonstrates ethical values and judgement.

7 Meeting the standard

The FPA supports provision 7(1) of the Determination and the clarification provided in section 7 of the Explanatory Memorandum.

Career break

The FPA welcomes and supports the clarity provided through section 7(2) regarding requirements for individuals who take a career break.

The s912A(f) of the Act requires licensees to “*ensure that its representatives are adequately trained (including by complying with section 921D), and are competent, to provide those financial services*”. This places an obligation on the licensee to ensure all its representatives remain competent, including following a career break, prior to allowing them to provide personal advice to retail clients on their behalf. This obligation is ongoing and is not based on the number of years a relevant provider may have taken a career break. In practice, a licensee would under s912A(f) assess its relevant provider’s competency following a career break, to ensure their knowledge and skills are up to date.

Provision 7(2) of the Determination supports this obligation under the Act.

The FASEA Work & Training Requirement Policy states:

Where relevant providers take a career break, the following standard will apply to the relevant provider they:

- *must meet the existing adviser education qualification requirements;*
- *are able to return without additional requirements if leave period is less than 2 years;*
and
- *for leave periods of 2 years or more they must undertake appropriate CPD to ensure they are equipped with the latest regulatory and licensee requirements (pg. 6).*



Recommendation:

The FPA recommends the requirements for relevant providers returning from a career break should be included in the Determination (not in a FASEA policy) and at a minimum should reflect or refer to the requirements in *section 11 – Career breaks* of the Exposure Draft Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018 (the CPD Determination).

8 Supervision requirements

Supervisor requirements

The FPA supports provisions 8(1) of the Determination and the requirement for the supervisor of the provisional relevant provider to have at least 2 years' experience (not counting his or her own professional year).

As stated in our previous submission, there are many different roles in the advice industry that require authorisation but do not involve providing direct advice to clients. Similarly, there may be individuals who may have attained authorisation but moved into non-client facing roles.

Recommendation:

The FPA recommends the term “experience” be defined in section 4 - *Definitions* of the Legislative Instrument and the *Glossary* of the Explanatory Statement. Experience should be defined as (for example) *“experience in the direct provision of personal financial advice to retail clients”*.

Page 5 of the FASEA Work & Training Policy states:

“A Financial Services Licensee needs to identify an individual with relevant qualifications to be the supervisor with responsibility for the provisional relevant provider (subsection 921F(2))”.

Reliance on ‘relevant qualifications’ in this context is inconsistent with the requirements in the Act:

- 921F requires the supervisor to be a relevant provider,
- 910A requires the relevant provider to be authorised,
- 921C does not permit a licensee to authorise a relevant provider unless they have met the education standards in 921B

The education standards are not limited to ‘relevant qualifications’, rather FASEA approved bachelor degree or higher qualification, or equivalent qualification. This is also inconsistent with the provisions in the Determination.

Recommendation:

The FPA recommends the removal of the statement in the FASEA Work & Training Policy requiring a supervisor to have relevant qualifications.



Page 6 of the Work & Training Policy states:

A Supervisor must provide supervision that actively assists the provisional relevant provider in getting the full benefit of the professional year in accordance with standard 12 of the Code of Ethics

A Supervisor must ensure the requirements of standard 8 of the Code of Ethics are met, regarding appropriate record keeping during the professional year

While the FPA supports the application of the standards of the Code (taking into account any FPA feedback on the Code of Ethics Exposure Draft Determination) to the role of the supervisor, we suggest referring to the Code of Ethics standards in the Determination.

Recommendation:

The FPA recommends including in the Determination provisions to clarify the application of the Code of Ethics in relation to the role of the supervisor, the responsibilities of the PRP, and the requirements for the Licensee.

Responsible licensee requirements

The FPA supports provision 8(2) of the Determination and paragraph 23 of the Explanatory Statement.

9 Professional year plan

The FPA supports the requirement to have a Professional Year Plan (PY Plan) as per provision 9(1) of the Determination. We support the inclusion of the ability for the PY Plan to be varied under this provision. The ability to vary a PY Plan is crucial and welcomed.

Flexibility is needed for unforeseen changes, such as changes in personnel / supervisor, changes in licensee, the ability incorporate new training opportunities, any changes in the detail of the plan as per the requirements in 9(2)(d), (e) and (f), or changes in the work activities (which could be for a multitude of business or regulatory reasons outside the control of the PRP or supervisor and irrelevant to the PY requirements), for example.

Importantly, the ability to vary the PY Plan provides the necessary flexibility to continually assess and determine throughout the professional year any specific or new training needs the supervisor or PRP may identify as beneficial for the development of the PRP's competency.



10 Work activities

Professional year work structure

The FPA supports the intent of provision 10(1) of the Determination and the associated table of *Professional year work structure*. The professional year work structure, while prescriptive, provides a clear checklist of work activities common to all financial advice businesses, which will provide certainty and enable entities to implement the standard and provide the work activity opportunities for PRPs in a myriad of ways regardless of the business model.

However, as discussed above, we are extremely concerned that the FASEA requirement for more indirect supervision only being permitted in quarters 3 and 4, may be one (of several) issues restricting the alignment of the FASEA PY requirements with the TPB's experience requirements for tax (financial) adviser registration purposes.

We note the FASEA Work & Training Policy includes the following additional work activity requirements which are not included in the Determination:

Quarter 2: Supervised Client Engagement and Advice

- *Supervision of client meetings*

Quarter 3 (PY 3) and 4 (PY 4): Indirect Supervision of Client Engagement and Advice Preparation.

- *Conduct client engagement without Supervisor*
- *Supervisor to review and affirm progress after engaging at key client engagement points at end of PY3 (month 9)*

The Determination includes Quarter 2 (b) *conduct meetings with clients*. This requirement has a potentially different meaning to that stated in the policy. The FPA supports this requirement as stated in the Determination.

The Determination does not include a quarter 3 and 4 requirement to *conduct client engagement without supervision*. We do not support this requirement and recommend this be removed from the policy.

The statement – “*Supervisor to review and affirm progress after engaging at key client engagement points at end of PY3 (month 9)*”, is unclear and inconsistent with the requirements of 12(3) of the Determination. It also does not take into account the permission to vary a PY Plan as it assumes the end of PY3 would be at 9 months. A quarter is defined as a 3-month period. If the PRP met the requirements to accelerate progression under Q1/2, this would potentially bring forward the end of PY3 if the supervisor was satisfied the PRP had met the Q3 requirements (noting that the full duration of the PY would be at least 12months).

With the exception of the issue of consistency with the TPB requirements, the FPA supports the intent of provision 10(1) of the Determination and the associated table of *Professional year work structure*.



Recommendation:

The FPA strongly recommends FASEA seek TBP agreement that the standards to be included in the Determination for the purposes of s921B of the Corporations Act, are sufficient for meeting the experience requirements to register as a tax (financial) adviser. The FPA would welcome the opportunity to work with FASEA, the TPB and other stakeholders to urgently resolve this issue.

The FPA recommend ensuring there is consistency between the Determination the FASEA Policy in line with our observations above.

PRP outcome achievement

The FPA supports provision 10(2) of the Determination and paragraph 29 of the Explanatory Statement, and suggest this provision offers high level guidance to financial planners in assessing whether a PRP has achieved the outcomes and acquired the key competencies to successfully complete the professional year requirements.

Financial planners are not education experts. They are qualified experts in the provision of financial advice and as such the financial planner supervisor will assess the competency of the PRP based on their expert and learned opinion on the PRP's ability to provide quality financial advice to clients that is in the client's best interest, is appropriate for their client's circumstances, will help put their client in a better position, and is in line with legal obligations. This approach to competency assessment will greatly benefit consumers receiving financial advice.

Ethical dilemmas

The FPA supports provision 10(3) of the Determination and paragraph 33 of the Explanatory Statement.

Minimum number of hours

The FPA believes there may be consequential impacts created by aligning the professional year requirements to a number of hours as proposed under provision 10(4) of the Determination and paragraph 34 of the Explanatory Statement.

It is vital that the new FASEA requirements align with the existing standards set in the Tax Agent Services Regulations and by the Tax Practitioners Board (TPB). The experience requirements for registration with the TPB as a tax (financial) adviser are based on years, not hours. As discussed above, this regulatory inconsistency is a significant issue that requires urgent consideration.

New advisers are required to be a full-time paid employee for the duration of the PY. This means that businesses will expect the new adviser to fulfil their role as both a paid employee and under the PY requirements, in line with the Fair Work Ombudsman's full-time hours - "*a full-time employee has ongoing employment and works, on average, around 38 hours each week*". Aligning the PY



requirements with this legal framework for employment will provide a practical obligation that is in line with business operations, systems and planning.

This, alongside the requirement to provide a quarterly completion certificate, negates the need for FASEA to dictate the number of hours to be completed and logged.

Recommendations:

The FPA recommends amending 10(4) of the Determination and paragraph 34 of the Explanatory Statement to require provisional relevant providers to complete a professional year of 1 year (12 months) full-time equivalent as per the provisions in section 5 of the Determination.

The FPA strongly recommends FASEA seek TBP agreement that the standards to be included in the Determination for the purposes of s921B of the Corporations Act, are sufficient for meeting the experience requirements to register as a tax (financial) adviser. The FPA would welcome the opportunity to work with FASEA, the TPB and other stakeholders to urgently resolve this issue.

Notification

The FPA has concerns about the requirement in provision 10(5) of the Determination and paragraph 35 of the Explanatory Memorandum, to “*inform each client, in writing*”, before the PRP has any “*direct or indirect interaction with the client*”.

Indirect interaction with a retail client is extremely broad and can encompass any assistance provided on a client file, including preparation of files and file notes, or implementation of recommendations for their supervisor or other financial advisers. This provision would mean that all clients of the practice would be required to be notified in writing of even the possibility that the PRP may have an “interaction” with their file, even if that interaction was not meaningful, and the name of the supervisor for each particular client.

In practice, this would create a cumbersome administrative burden for small financial planning practices that would deliver little consumer benefit.

Recommendation:

The FPA recommends provision 10(5) be amended to limit the requirement to direct interactions only, such as face-to-face, via phone calls or digital interactions.

11 Structured training

The FPA supports the provisions in this section of the Determination and paragraphs 36, 37 and 38 of the Explanatory Statement.

The FPA supports the training requirement to be based on hours as it will allow supervisors, PRPs and licensees to identify training opportunities that will suit the training needs of the PRP, which will be different for each provider.



Minimum number of hours

The FASEA Work & Training Requirement Policy states:

“Training is to be at minimum 2 hours per week of structured training” (pg. 6).

The FPA does not support this requirement as it creates a level of inflexibility and ignores the structure of many quality training programs available. For example, conferences, seminars, block work for university study and professional training. It also risks PRPs undertaking training programs for the sake of meeting the weekly quota, rather than to meet a training need that improves their competency. This will deliver little benefit for consumers.

The PRP, supervisor and licensee should be permitted to identify appropriate training, including time allocation, for the professional year based on the training needs of the PRP and the opportunities available in order to meet the minimum professional year requirement of 100 hours of structured training.

Recommendations:

The FPA recommends the structured training requirement be set at 100 hours for the entirety of the professional year as proposed in the Determination and Explanatory Statement, with no minimum requirement per week, month or quarter.

Page 9 of the Work & Training Policy states:

*Evidence completion of the training programs, which will include a minimum 100 hours of **accredited** education or training.*

Section 11 – *Structured training* of the Determination refers to:

- *training provided by or facilitated by the provider’s supervisor or licensee*
- *a course determined in a legislative instrument for the purposes of paragraph 1546B(1)(b) of the Act, and*
- *a course of study approved or provided by a professional association.*

However, it does not require that all structured training be accredited. This approach recognises the diversity of training available, the value in such programs (such conferences, licensee training, etc.) and the nuance between training (as required in s921B(4)) and education (under s921B(2)) requirements under the Act.

Recommendation:

The FPA supports the requirements for structured training FASEA has set in the Determination and recommend the word “accredited” be removed from the policy as it is inconsistent with this approach.



12 Progress through professional year

Requirements for starting a quarter

The FPA supports provisions 12(1) of the Determination and paragraphs 39, 40 and 41 of the Explanatory Statement.

Exam

The FPA supports provision 12(2) of the Determination and paragraph 42 of the Explanatory Memorandum.

Existing financial advisers (registered on the FAR before December 2018) are required to pass the exam before 1 January 2021. The FPA notes FASEA's July 2018 consultation paper on the Financial Adviser Exam proposed existing advisers be permitted to take 2 resits of the exam. Existing advisers who do not pass the exam by the exam transition date will not meet the transition requirements under the Act and will be deemed a new adviser.

New advisers are required to undertake a Professional Year. However, the FPA believe it would be appropriate to recognise the work experience and careers of existing advisers who do not meet the exam requirement during the transition period.

Recommendation:

The FPA recommends FASEA include in the Determination and Explanatory Statement specific provisions to provide special professional year considerations and requirements for existing advisers who do not satisfy the exam requirement within the transition period.

Completion certificates

The FPA supports provision 12(3) of the Determination and paragraph 40 of the Explanatory Statement.

Accelerated progression

The FPA welcomes the inclusion of accelerated progression provisions as a means of recognising the typical career entry pathway of new advisers and work undertaken prior to being authorised as a PRP and undertaking an advisory role.

As detailed in our previous submission, many new advisers may have 2 to 3 years of appropriate experience in back office activities, assisting with meeting preparation and documentation, and in some instances taking minutes in client meetings, research, and assisting in developing advice strategies in the best interest of clients, for example, all under the direction of a senior adviser, prior to being registered as a Provisional Relevant Provider undertaking their PY. This experience is likely to be in line with the key activities listed in quarters 1 and 2 of the FASEA proposal.



Hence, accelerated progression should be permitted in both quarter 1 and quarter 2, not “quarter 1 or 2” as proposed in provision 12(4).

This would not change the requirement to meet competency provisions of quarters 1 and/or 2 and will not change the duration of the full professional year. Rather it will focus the time spent during the professional year on competencies not yet achieved by the PRP.

The FPA’s recommended change to allow accelerated progression in both quarter 1 and 2, is supported by the requirement in provision 14(a) of the Determination for the licensee to lodge a notice with ASIC when a certificate has been issued under the accelerated progression provision in 12(4).

Recommendation:

The FPA recommends amending provision 12(4) of the Determination and paragraph 43 of the Explanatory Statement to allow a completion certificate to be given before the end of the quarter for quarter 1 and 2.

General assessment criteria

The FPA supports provision 12(5) of the Determination and paragraph 41 of the Explanatory Statement.

These requirements offer a reasonable framework for assessing whether a PRP has completed each quarter of the professional year, importantly based on the individual’s PY Plan.

Restrictions on giving final completion certificates

The FPA has concerns about provision 12(6) of the Determination and paragraph 44 of the Explanatory Statement. As discussed above, the FPA believes there may be consequential impacts created by aligning the professional year requirements to a set number of hours.

The FPA supports provision 12(7) of the Determination obliging the licensee to also give a final completion certificate.

The FPA notes the requirement for licensees to conduct an audit of 5 client files to be satisfied that the provider can be relied on to comply with the applicable legal and regulatory requirements, as detailed in provision 12(8) of the Determination and paragraph 44 of the Explanatory Statement. However, the PRP is not legally permitted to provide advice. Under the Act, the supervisor is considered the provider of the advice.

Given that many individuals may be involved in the preparation and provision of the advice, we question whether the desired outcome of this requirement will be possible. The FPA suggest the licensee would need to be comfortable that the PRP played the primary role in the advice and not the supervisor. Therefore, mandating and relying on this requirement as a measure of achieving the requirements of the professional year may be unreasonable.



Page 9 of the FASEA Work & Training Policy states:

“The Supervisor/Licensee will conduct an audit on 5 client files to assess compliance of regulatory and legal requirements.”

Provision 12(8) of the Determination clearly places this obligation on the licensee only.

Recommendation:

While the FPA has concerns about this requirement as discussed above, we recommend the word “supervisor” be removed from this statement in the policy to ensure it is consistent with the Determination.

13 Record-keeping

As discussed above the FPA opposes the reliance on hours of work activities as a requirement and measure for the professional year. In this context, the FPA disagrees with provision 13(1)(a) of the Determination.

The FPA questions the practicality of provision 13(1)(c) that requires the PRP to complete and maintain records (a logbook) of each notification under s10(5). As explained in paragraph 45 of the Explanatory Statement, the PRP would be required to record the notifications to clients about the PRP’s status. The FPA recommend the record of the provision of the notification must consider privacy laws and client confidentiality requirements in the law, the proposed FASEA Code of Ethics, TPB Code of Conduct, and codes of professional bodies.

For example:

- The FPA Code of Ethics Principle 7 requires financial planners to protect the confidentiality of all client information
- The legislated TASA Code requires that unless the tax practitioner has a legal duty to do so, the tax practitioner must not disclose any information relating to a client’s affairs to a third party without the client’s permission. A third party is considered to be anyone other than the adviser and the client.

The actual notifications provided to clients, in writing, would contain personal information about the client and therefore should remain with the client file to ensure adherence with privacy and other laws. The client file must remain with the entity who holds (or ‘owns’) the legal contract with the client – this will be either the authorised representative or the licensee. Given the inclusion of personal information, it would be inappropriate to require the PRP, or any party except the entity with the legal contract with the client, to hold such records.

Recommendation:

The FPA recommends provision 13(1) be amended to remove 13(1)(a) and the reliance on hours of work activity.



The FPA recommends amending 13(1)(c) to ensure record keeping requirements comply with the privacy laws, TASA requirements, and the financial advice client confidentiality legal and professional requirements. Provision 10(5) should also be amended to limit the requirement for client notification to “direct client interactions” only, such as face-to-face, via phone calls, or digital technology.

Page 8 of the FASEA Work & Training Policy states:

The Standards Authority expects that generally, the:

- *Provisional Relevant Provider will collect evidence of having satisfied the work and training standard*
- *The Supervisor will review and validate evidence of the Provisional Relevant Provider having satisfied the work and training standard*
- *The Licensee will confirm, record and maintain the evidence of the individual having satisfied the work and training standard. Records are to be kept for a period of 7 years.*

The placement of the requirement to keep record for a period of 7 years as stated, implies that the record keeping obligations only applies to the licensee. This would be inconsistent with the 13(4) of the Determination.

Recommendation:

To ensure consistency, the FPA recommend the requirement that “*records are to be kept for a period of 7 years*”, should sit outside the bullet points so that it applies to all parties – the PRP, supervisor and licensee.

14 Notifications

The FPA supports the provisions in this section of the Determination and paragraph 50 of the Explanatory Statement.

The FPA opposes the proposed additional requirement in the FASEA Work & Training Requirement Policy for the supervisor to “... *ensure that evidence of the work and training standard has been collected, reviewed and is available to the Provisional Relevant Provider and other relevant entities such as ASIC, a Code Monitoring Body and FASEA*”(pg. 5).

The FPA does not agree with the responsibility for making PY evidence available to ASIC, a Code Monitoring Body and FASEA, being placed on the supervisor. Rather, this should be a responsibility of the licensee under provision 14 of the Determination. This requirement in the FASEA policy is also inconsistent with the provisions in the Determination.



Recommendation:

The FPA recommends expanding provision 14 of the Determination to oblige the licensee to make available evidence of the work and training standard to relevant entities including a Code Monitoring Body and FASEA.

Potential resources and templates

The FASEA Work & Training Policy states:

FASEA may provide resources and templates in relation to the PY including:

- A Professional Year Plan (including Quarterly Activity Guide)
- A PY Logbook
- Completion Certificate
- Final Completion Certificate

The FPA support FASEA in providing these tools as a guide for industry.