



AUSTRALIAN ASSOCIATION OF
AGRICULTURAL CONSULTANTS
WESTERN AUSTRALIA INCORPORATED

AFSL Grain Marketing Training

Thursday 4th July 2019

DPIRD Theatrette

www.aaacwa.com.au

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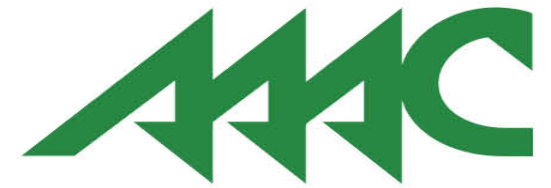


AFSL Grain Marketing Training

Thursday 4 July 2019

DPIRD Theatre, 3 Baron-Hay Court, Kensington

- | | |
|----------------|---|
| 12.15pm | Registration and Lunch |
| 12.45pm | Welcome – Chris Tonkin, Ten Tigers |
| 1.00pm | Compliance Training
<i>Keith Hockley – Licensee Compliance Solutions</i> |
| 2.00pm | Industry good company, consolidation and grain payment security
<i>Andrew Goyder – GTA / Grainlink</i> |
| 2.30pm | Afternoon Tea |
| 2.45pm | New FASEA Requirements – current and new entrants
<i>Luke Knight – Head of Corporate Sales, Kaplan</i> |
| 3.10pm | PI Insurance – Options, providers and wording
<i>Matthew Hantler – Integra Insurance Brokers</i> |
| 3.30pm | Depart for Tour of Joe White
<i>(individuals to drive in their own cars to 770 Abernethy Road, Forrestfield – max of 30 on tour)</i> |
| 4.15pm | Tour of Joe White Malt Plant |
| 5.15pm | Depart Joe White – travel to 21st Amendment Bar for Sundowner – 11/663 Newcastle St, Leederville
<i>(sponsored by AWB Cargill)</i> |
| 6.15pm | Cargill Malt Trader speaks with Golden West Brewing Co Brewster's about malting & beer qualities & international markets |



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Compliance Training

Keith Hockley

Licensee Compliance Solutions

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Today's Presentation —Compliance Training

Aim: To provide an outline (or 'refresh' your understanding) of the key obligations of the AFS Licensee, 'retail and wholesale verses wholesale only AFS Licensee, future training requirements (or advisers and RMs) and Q & A session time permitting.

Overview and generic matters we'll discuss....:

- *ASIC presentation highlights, insights and their focus for 2019*
- *Compliance, including Culture & Ethics*
- *The Licensees Policies and Procedures, an overview, where and from whom available*
- *Factual Information*
- *Adviser Obligations & Resources—to clients and to the AFS Licensee*
- *General Advice, incl. examples and warnings required*
- *More Adviser Obligations....*
- *Training program 2019*
- *AML/CTF Program risk awareness*
- *Privacy and Eligible Data Breach Reporting*
- *Phantom Shopping and Regulator Monitoring*
- *Conclusions—Questions, Comments or Concerns and discussion*

ASIC presentation insights

Size of the Industry— 3rd Quarter 2018

- 6170 Australian financial services licenses (AFSLS)
 - 5503 Australian credit licences (ACL)
- 59,776 Authorised Representatives of AFSL
 - 39,053 Credit Representatives of ACL
- 24,885 Financial Advisers of AFSL
- 11,570 Responsible Managers of AFSL
 - 6619 Responsible Managers of ACL
 - 3932 Fit and Proper Persons of ACL's

Some of ASIC's focus points (notwithstanding Royal Commission outcomes)

- Ensure the business model aligns with the authorisations sought/held
- Knowledge, skills, training and experience
- * Conflicts of interest and compliance arrangements
- Financial information

ASIC presentation insights

- The AFSL being well resourced is important to ASIC.
 - Compliance, monitoring and supervision of representatives.
- Culture/organisation wide and fit for purpose.
 - ASIC will examine culture in problems and breaches.
 - Open communication and encouraging questions are good indicators of a good culture.
- ASIC focus, in their surveillance, as two examples:
 - why issues / consequence management hasn't picked previous problems; and
 - monitoring SoA's via natural language processes software.

Compliance, including Culture & Ethics

- **Compliance** is the process by which organisations identify and meet their strategic obligations whether arising in law, standards, codes or from stakeholder expectations.
 - It is the Licensees framework within which to work.
- An organisation's **culture** is the body of learned behaviours, which act as a template, shaping future behaviour.
 - An appropriate culture reduces the level of controls required to ensure performance.
 - A defective culture will subvert even the most rigorous systems and processes.
- **Ethics** provide the overarching principles and rules which govern individual and organisational behaviour.
 - These rules are normally documented in a values statement and reflected in policies, procedures and expected behaviours.

Compliance, including Culture & Ethics

Achieving effective and efficient compliance requires:

- commitment and leadership from the Board and the CEO;
- analysis of requirements and identification of risks, requirement and exposures;
- development of systems and procedures; and
- the creation of an *organisation-wide compliance culture*.

Implementing a compliance culture:

- Staff & representatives are trained in the importance of compliance, the legal and ethical issues involving compliance and who to turn to for advice or speak with.
- Everyone is to report compliance concerns, failures and breaches.
 - Analysis of lessons from these assist in future compliance and consequence management.
- Everyone is requested to suggest compliance improvements.
- Licensee regularly monitors compliance awareness.

Compliance, including Culture & Ethics

What drives culture?

1. Tone from the top.
2. Cascading to the rest of the organization.
3. Translating into business practices.
4. Effective communication and challenge.
5. Recruitment, training and rewards.
6. Governance and controls.

Tips for good culture:

- *Are your non-executive directors active in their oversight?*
- *Do you have a 'good news' culture?*
- *Are your governance and compliance frameworks adequately resourced?*
- *Do you regularly promote, monitor and assess the company's culture?*

Compliance, including Culture & Ethics

Ethical culture

An ethical culture operates in an organisation when it incorporates the values embodied in the whole regulatory structure.

These values lead to:

- proper protection for consumers of financial services;
- proper information for clients;
- behaviour in the markets which maintain a high level of public confidence; and
- behaviour which enables financial crime to be fought effectively.

The ethical culture is not just the observance of rules, but a culture, a set of ingrained values, attitudes and beliefs, which embrace the objective of regulation.

Licensees Policies and Procedures

amongst others, include:

AML Program

Disaster Recovery & Succession

Consequence Management

Compensation Arrangements

Representatives-Appointment
monitoring-supervision

Complaints Handling Policies
(IDR & EDR)

Responsible Managers Policy

Human Resources Policy

Training Policy

Incidents & Breach Reporting

Financial Requirements Policy

Conflicts of Interest Policy

Outsourcing Policy

Marketing & Promotional Material

Privacy Operational Policy

Business Continuity Incl. IT
& Succession Policy Continuity

Risk Management Policy

***Advisers Manuals, procedures and
example worksheets***

Along with any other Licensee specific 'Authorisation' & 'Conditions', Policies / Procedures.
e.g. Margin Lending, Derivatives, FX etc. See handout 'Policy Review Timeline AFSL EXAMPLES'.PDF

Licensees Policies and Procedures

Obligations of the Licensee, amongst others—

Regulation and governance

- Regulatory framework, AFS license, conflicts of interests, privacy, complaints and disputes, insurance, monitoring and supervision.

Products and services

- Product selection, supplier Agreements.

Organisational capacity

- Human Capacity, training, RM's, employees, AR's, financial advisers, outsourcing/outsourced services.

Risk management and compliance

- Risk management, compliance management, adviser monitoring and supervision, breach, consequence management and other specific risks basis business activities.

Financial systems

- Resources, auditing, ASIC reporting, financial management.

Business systems

- Planning, records management, technology management, security, business continuity.

Factual information

All staff that operate with the AFS Licensee or corporate Authorised Representative (legal entity) of the AFS Licensee can give factual information.

- Information that consists only of facts, that is, ***objectively ascertainable information whose trust or accuracy cannot be reasonably questioned.***

Caution – giving information could be interpreted as general advice if a client relies on the information in making a decision.

Who can give ‘factual information’ *?

- Typically people who deal with initial queries from customers;
- They do not need to meet the training requirements;
 - as long as they adhere to scripts approved by a person who meets the training standard; or
 - supervised by person who meets the training standard
- Need to be monitored to ensure do not give advice.

* See training resources supplied: ***“Training—Factual information, General & Personal Advice Handout”***.

Adviser/Representatives Obligations

Obligations of the Adviser/Representative, amongst others—

- Disclose any conflicts of interest (e.g. any related entities);
- Keep file notes of any financial services provided;
- Disclosure remuneration received or paid;
- Ongoing AFSL 'CPD' training each month/quarter—*not once or twice a year...*
 - *E.g. stick to your quarterly training plan requirements otherwise you're in breach of your adviser deed/AR Agreement and authority could be suspended or cancelled.*
- Update licensee on
 - any personal or business changes pending (i.e. before they happen...); and
 - any incidents or potential breaches;
 - Any other matters your licensee may need to be aware of.

Your changes can trigger ASIC licensing notifications and IM updates etc.

(Companies, via F484, have up to 28 days to notify ASIC of certain matters. The AFS Licensee often has to make the same notification and within 10-15 days, depending on the change. Yes, the notification is made twice !!)

Adviser Obligations & Resources

Summary — 1 of 2 (of various obligations to *clients*, amongst others)

- Marketing*
 - Describing your business, advertising, direct marketing, competition and consumer obligations
- Advisers obligations to clients
 - ***Provision of services, General advice warnings, remuneration disclosures, privacy and confidentiality, conflicts of interests, file notes*** and ensuring consistent and efficient services are delivered to clients.
- Advising—General Advice ONLY
 - ***General Advice Warnings***
 - ***File notes.*** Record of warnings given to clients and brief overview of subject matter discussed.
- Complaints and client communications

* See training resources supplied: “*Promotional Material Checklist*”, sourced from the Marketing and Promotional Materials Policy and requirements of the policy for AFS licensee signoff.

Adviser Obligations & Resources

Provision of Services: *Efficient, Honest and Fair*

The role of a general advice provider is to provide guidance, enabling clients to make informed decisions. Obviously, you can only provide general advice within the authorisations granted by the AFS licensee in writing.

- Ensure at all times that your financial services are being provided efficiently, honestly and fairly*. This obligation is imposed by the Australian financial services laws and is broader than the common law responsibility to use due skill, care and diligence.
- You should have honest and honourable relationships with all persons with whom you come into contact in the course of your professional and commercial activities. You must provide all parties with all significant information which you are aware could influence their decision (or a reasonable persons decision) to enter into a financial transaction or their consent to you acting for more than one person in a transaction.
- All financial advisers are placed in a position of trust and influence by their clients. You must not abuse that position.

• * s 912A Corporations Act 2001 (Cth)

Adviser Obligations & Resources

Provision of Services: *Common Law Duty of Care**

- You must always act in the best interests of the client and give the client undivided loyalty. You may not take improper advantage of that trust in order to obtain a benefit for yourself or a third party and should treat all clients and fulfil all your commitments to clients honestly, fairly and competently.

FYI—

Retail Personal Advice Providers must act in the ‘best interests’ of the client, in accordance with the ‘best interests duty’ obligations, when providing personal advice to retail clients.

Clients who seek financial advice expect that their adviser will act in their best interests and that, as a result, the advice given will leave them in a better position.

* This arises through the laws of contract, torts and implicit terms under statutory consumer protection.

Adviser Obligations & Resources

Provision of Services: *The Standard of an Advisers Duty?*

- The standard of care required of you is that expected of a competent, experienced, well-informed adviser – not someone with an extraordinary degree of skill.
- You will be liable for errors of judgement if the error is a lapse from the standard of care and skill expected of a reasonable adviser in the circumstances. Not all errors of judgement will amount to such a lapse. This is why you need to fully appreciate your clients' requirements and understand the general advice you are providing on.
- What you need to do to fulfil this duty will depend upon the circumstances of each client, including the scope of your engagement e.g. have you agreed to give.... incl. general advice, the quality of instructions given by the client and the sophistication of the client, e.g. are they retail or wholesale, do they have experience in investment and finance matters.
- You are expected to be knowledgeable in the financial services and the subject matter.

Adviser Obligations & Resources

Provision of Services: *Remuneration, general principle**

- You must disclose all forms of remuneration, fees, commissions or any other pecuniary or non-pecuniary benefit you receive, directly or indirectly for providing financial advisory services.

Provision of Services: *Privacy and Confidentiality*

- The privacy laws**protect personal information which belongs to individuals by placing restrictions on how that information may be collected, used and stored. Clients are entitled to confidentiality in their affairs.
- Never discuss a client's affairs with any person for any purposes not authorised by the client.

* See ASIC Regulatory Guide 246: Conflicted Remuneration, March 2013 for full details.

** See Australian Privacy Principles, Privacy Act 1988 (Cth).

Adviser/Representatives Obligations

Obligations of the Adviser/Representative, amongst others (i.e. FSG, conflicts of interests disclosure etc)—

Provide General Advice warning, and in the same method as you provide any general advice. E.g. in an email—include a general advice warning, verbally—verbalise your general advice warning etc.

Only provide general advice in the financial products you are authorised, by your licensee in writing, to discuss.

- Don't be helpful in providing your thoughts, opinions or items to consider
- Don't provide general advice about a client's shares or MIS' they may hold or their insurances (if you are not authorised in writing to do so)

Aside—Foreign Clients

- *Check that the client are not from a country where UN Sanctions apply so that you are legally able to transact with the client.*

Continued next slide,

General Advice

If you give general advice to a client, it is prudent you give a **general advice warning** at the same time and in the same manner as the advice is provided

You should (as technically speaking, as it is a retail licensee obligations) tell the client that:

1. The advice has been prepared and provided without taking into account the client's objectives, financial situation or needs;
2. Because of that, before acting on the advice, the client should consider its appropriateness (having regard to their objectives, financial situation and needs); and
3. If the advice relates to the acquisition of a product, that the client should obtain a Information Memorandum (IM) relating to the product before deciding whether to acquire it.

Continued on next slide,

Examples of when general advice is often provided

- Advice in newsletters or research reports, since an individual's personal circumstances would not be considered when preparing a newsletter or report for all clients;
- Advice given in an investment seminar;
- Marketing brochures about a product or product range; and
- Quoting from a PDS.

Advice will usually be general* where you have made it clear that the advice has not taken the client's personal circumstances into account.

e.g. where the general advice warning has been given and nothing has been said or done to contradict it.

* See training resources supplied: **“Training—Factual information, General & Personal Advice Handout”**. This 3 page flyer provides a handy outline of factual information, general and personal advice differences.

General Advice Warnings

It is not necessary to use the exact wording used in the legislation when giving the general advice warning, so long as the warning covers the three points in s 949A *Corporations Act 2001* (Cth).

Develop your own wording so as to make the warning more meaningful to clients.*

Examples of appropriate oral general advice warnings include:

- “This advice is general, it may not be right for you”
- “This advice is not tailored, so you can't assume it will be suitable for you”
- “This advice may not be suitable for you because it is general advice”
- “You will need to decide whether this advice meets your needs because I haven’t.”

Where the general advice is given orally, a simpler general advice warning can be given. When giving this simpler warning, you only need to tell the client that**:

- The advice is general; and
- May not be appropriate for your needs.

* ASIC Regulatory Guide 175: Licensing: Financial Product Advisers – Conduct and Disclosure

** ASIC Corporations (General Advice Warning) Instrument 2015/540, August 2015

How to stick to ‘general advice’

- Listen carefully to what customer says.
- ***Give short honest answers, and if the client pushes you for a recommendation say, or similar:***
 - ‘This advice is general advice, it may not be suitable for you and I will get our financial services personal advice representative to meet with you’; or
 - ‘What I’m talking about here is general advice. You are going to have to speak with one of our advisors and get personal advice documented and issued by them....’; or
 - ‘I’m happy to provide you with some general advice in relation to a SMSF, but I won’t be able to consider in detail whether it is appropriate for you. I’ll refer you to my colleague and they will sit down with you and go through your financial and personal circumstances; from a financial advisory perspective...’

Remember if you have provided advice which could be deemed personal, giving a general advice warning does not make your advice general !

Adviser Obligations & Resources

Summary — 2 of 2 (of various obligations to your *authorizing licensee*)

- **Compliance Obligations and Warranties***
 - See “Adviser Deed” or “employment agreement” obligations, assurances and warranties made or required. See also again previous slide on “Provision of Services: *Efficient, Honest and Fair*”.
- **Marketing & promotional materials**
 - See Adviser manuals and ‘Marketing & Promotional Materials Policy’.
 - Use Marketing and Promotional Materials Checklist** and its submission to the licensee
- **Conflicts of interest updates and disclosures**— See Adviser manuals and or Conflicts of Interest Policy.***
- **Remuneration**—Disclosure of commissions, fees received for paid, incl. referral fees
- **Training, incl. CPD** and ongoing monitoring and supervision requirements.

* See training resources supplied: “*Compliance Obligations and Warranties—EXAMPLES*”, sourced from Adviser Deeds.

** See training resources supplied: “*Promotional Material Checklist*’ , sourced from the ‘Marketing and Promotional Materials Policy’ .

*** See training resources supplied: “*Conflicts of Interests Register Samples.PDF*”, for ‘Descriptions of Conflicts Management Arrangements’ with examples and Individuals ‘Registers’.

Adviser Obligations & Resources

Summary — 2 of 2 (*of various obligations to **authorizing licensee***), continued...

- **Use of various templates, policies, procedures and manuals.**
- **Incident and potential breach notifications & reporting, Incl. data breaches***
 - So the licensee can deal with appropriately and instigate any required breach reporting, data breach responses and or its consequence management obligations.

Who is your Licensees initial point of contact for incidents and breaches?

If required, ask for a copy of the Licensees “**INCIDENT and BREACH REPORTING POLICY**” (Including Privacy Act Eligible Data Breaches) as there are different obligations for AFS licensee breaches versus Privacy Act breaches and incidents for further details, if required.

- **Complaints and client communications**
 - Who is your Licensees initial point of contact to assist with any disputes and or complaints?

Training program 2019

The Training Manager's (our 'responsible person', noted in the training policy) responsibility is to manage, coordinate and monitoring, supervision and the training requirements for all Responsible Managers ('RMs') and Representatives, to ensure that they:

- Have measures for monitoring and supervision;
- RM's and Representatives have the knowledge and skills required for their role;
- Have a current training and development plan for the training and skills required for their current role (and ideally for their next role); and
- Those required are successfully undertaking the training prescribed by their Licensee.

It is your responsibility to attend to and manage any on an ongoing training plan and CPD requirements.

The escalation process, for not doing so, is:

The Adviser/Representatives is to immediately complete required training to ensure 'year to date' and across required training areas of your training plan.

Not just any CPD or hours up to date.

Training program 2019

Training CPD—what the future looks like:

Kaplans ‘Ontrack’ categories examples; which are followed by knowledge areas:

- Contains structured compliance
- Contains Client Care and Practice content
- Contains Responsible Manager content
- Contains General content
- Investment Management
- Contains Professionalism and Ethics Content
- Contains TASA CPE

* See handout ‘FASEA CPD Areas’pdf.

AML/CTF Risk Awareness

Chapter 8 of the AML/CTF Act requires reporting entities to design their risk awareness training program to enable employees to understand:

1. obligations under the AML/CTF Act and Rules
2. the consequences of non-compliance with the AML/CTF Act and Rules
3. the type of ML/TF risk that our business might face and the potential consequences of such risk
4. the processes and procedures in our AML/CTF Program that are relevant to the work carried out by advisers/representatives and employees.

Training promotes understanding and awareness and is a key control measure to minimise ML/TF risks arising in our business

The Licensee has an AML/CTF Program and a 'Anti Money Laundering Officer' ("AMLO") nominated and registered with AUSTRAC as it is a 'designated service provider' under the Act.

See handout "AML-Sample agenda for onsite component AUSTRAC Compliance Assessment.

Privacy and Eligible Data Breach Reporting

We have a Privacy Policy—It has procedures and various templates for customizing and use.

What ‘data’ does this relate to?

- The reference to “data” in this context means all information that you collect and/or hold under the Privacy Act – personal information.

What is an Eligible Data Breach* ?

A privacy breach is an **eligible data breach** if it results in:

- ***Unauthorised access to or disclosure of personal information; or***
- ***Information being lost in circumstances where unauthorised access to or disclosure of personal information is likely to occur, and this is reasonably likely to result in serious harm to an individual.***

When an ‘eligible data breach’ occurs, the Licensee must usually report it to the OAIC and affected individuals within strict timeframes.

However, this may not be required if we act quickly to manage the breach and ensure that it will not cause any serious harm to an individual.

* See training resources supplied: “Identifying Eligible Data Breaches” and “Data breach flowchart” sourced from OAIC’s web site.

Privacy and Eligible Data Breach Reporting

Data Breaches

Article by Australian Information Commissioner(OAIC) and Privacy Commissioner in The Australian Tuesday, 23 October 2018:

‘Human error and deception. Compromised credentials. One-off incidents. This is the reality of most data breaches notified to the Office of the Australian Information Commissioner since mandatory reporting began in February 18.....’

‘...Along with human error – such as emailing the wrong person or losing documents – compromised credentials are a key cause of the data breaches reported so far....’

The above excerpts cited on 11 January 2019 at <https://www.oaic.gov.au/media-and-speeches/news/article-by-australian-information-commissioner-and-privacy-commissioner-in-the-australian>

Causes of notified breaches

The causes of breaches notified in the July to September 2018 quarter were:

- 37% due to human error (36% in the previous quarter)
- 57% due to malicious or criminal attack (59% in the previous quarter)
- 6% due to system fault (5% in the previous quarter)

Privacy and Eligible Data Breach Reporting

Cyber Resilience

- We must “have adequate risk management systems”; and
- We must have have adequate information technology resources to provide the financial services covered by the AFS License.

Licensees have possession of highly personal information. This information in the wrong hands can be used for criminal activities such as ID fraud, and can be sold for a high value. Certain industries are considered more vulnerable to attacks because of the sensitive nature of the information that they hold.

- If your/our information is locked down and you/we must pay a ransom, what will you/we do?
- Can you/we continue to provide the financial services?
- We have to identify the resources that the business needs to prevent cyber-incidents.

Procedures need to be documented, as tailored and customised by your AFS Licensee.

Privacy and Eligible Data Breach Reporting

Increased Risks on Social Media

- Companies have been found liable for publishing misleading and deceptive statements on their Facebook and Twitter pages.
This was found to be a breach of consumer protection legislation.
- Publishing confidential information (whether deliberate or accidental) can breach Privacy laws.
 - Damage to our/your business as a result of the quick 'Social sharing' of information about a product or service of others (incl. failures of the same).
- Infringing copyright by sharing content that is protected by copyright or trademark registrations.
- Risk of defamation proceedings.

Phantom Shopping and Regulator Monitoring

- ASIC, other regulatory bodies and, as an example, monitoring and supervising
 - File reviews/Audit requests/Surveys
- Choice Magazine
- Web material / web searches
- Newsletters
- Social Media
- Advertisements

Also, don't underestimate reports that are made by disgruntled clients, former employees, competitors etc. to Regulators that can put you and or your AFS Licensee in the spot light.

Conclusion

We discussed and reviewed:

- ✓ *ASIC presentation highlights, insights and their focus for 2019*
- ✓ *Compliance, including Culture & Ethics*
- ✓ *The Licensees Policies and Procedures, an overview, where and from whom available*
- ✓ *Factual Information*
- ✓ *Adviser Obligations & Resources—to clients and to the AFS Licensee*
- ✓ *General Advice, incl. examples and warnings required*
- ✓ *More Adviser Obligations....*
- ✓ *Training program 2019*
- ✓ *AML/CTF Program risk awareness, and a review of your obligations incl. SMRs*
- ✓ *Privacy and Eligible Data Breach Reporting*
- ✓ *Phantom Shopping and Regulator Monitoring*
- ✓ *Conclusions—Questions, Comments or Concerns and discussion*
- ✓ *Ensure you access, review and use the PDF resources supplied with this training along with any adviser manuals provided !*

QUESTIONS, COMMENTS or CONCERNS?



**AUSTRALIAN ASSOCIATION OF
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**Industry good company,
consolidation and grain payment security**

Andrew Goyder
GTA / Grainlink

www.aaacwa.com.au

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**GRAIN INDUSTRY CONSOLIDATION
INDUSTRY GOOD COMPANY UPDATE
SECURITY OF PAYMENT (TAKING RESPONSIBILITY)**

Andrew Goyder

Managing Director Grain Link WA

Chairman Grain Trade Australia

**HOW THINGS
HAVE CHANGED.**

- https://youtu.be/RRy_73ivcms

CONSOLIDATION

- Industry consolidation driven by Bulk Handlers and Mid-Tier operators.
- The Australian Grains Industry Discussion Group (AGIDG) included GTA, GGL, GPA, Pulse Aust, Barley Aust, AOF and Australian Grain Exporters now a GTA sector council.
- Objective was to seek to improve delivery of certain industry good activities
- Production Sector substantially larger beneficiaries
- Critical issues and differing views on governance. Production sector “deal breaker”
 - Important to say all participants are still actively engaged in industry good activities.
 - MOFCOM China Barley action an example of how Industry does work together.
 - GTA and Trade provide significant “in-kind” activities. MRL’s, and Trade and Market Access

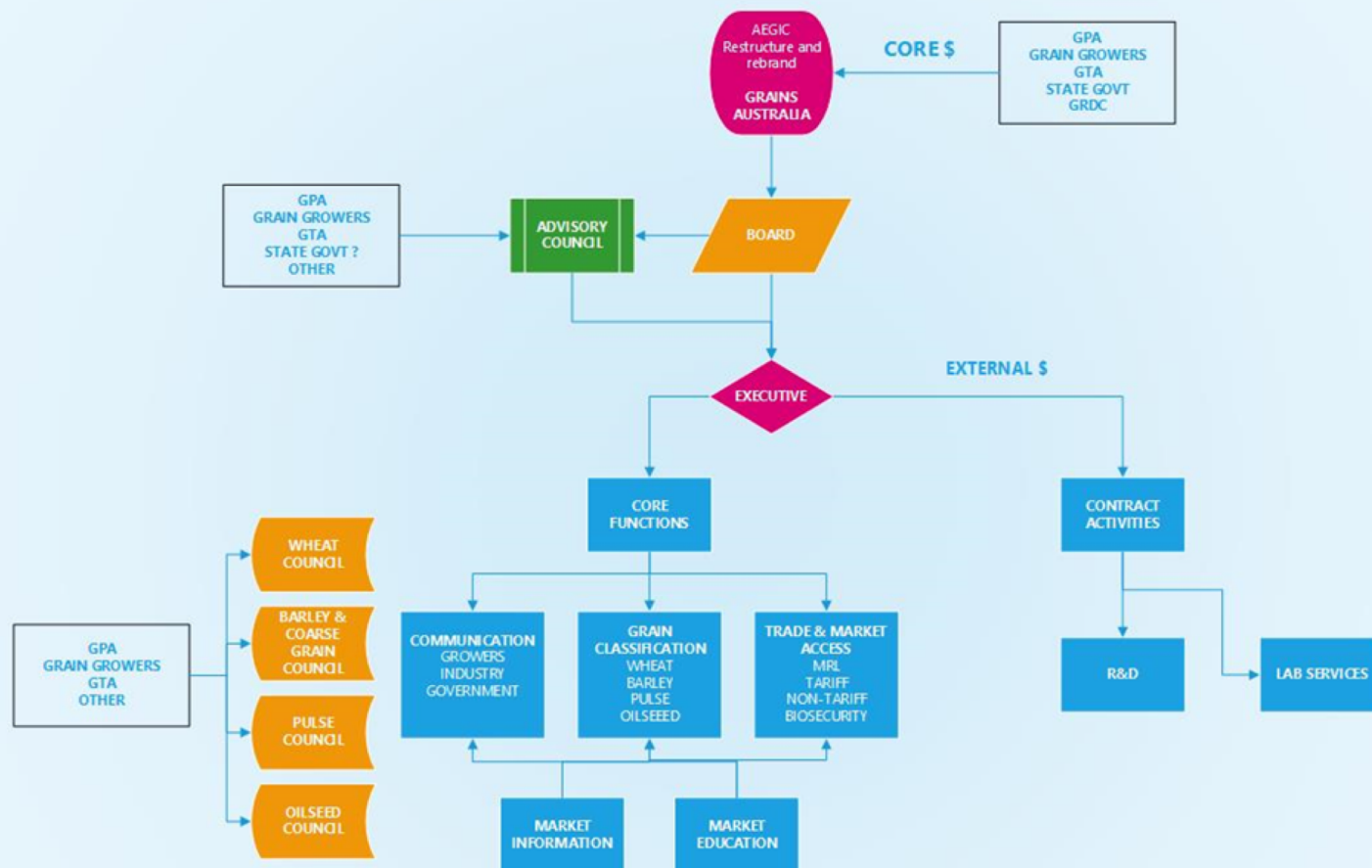
WHATS HAPPENING TODAY?

GRDC is undertaking further work on delivering Industry Good Activities



IGC core activities:

Wheat classification • WQA	Barley classification • Barley Australia	Pulse classification • Pulse Australia	Oilseed classification • AOF	Market access	GIMAF (Grains Industry Market Access Forum)	Tariff response	Non-Tarif response	MRL response
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NEW PROPOSED STRUCTURE

- Company Limited by guarantee
- Company to operate on a national basis
- WA State Govt funding along with GRDC
- AEGIC to be the skeleton
- You will notice GIWA not in proposed structure?
- Oats classification?

GRAIN TRADE AUSTRALIA

- Member driven organisation
- GTA does not have right to exist
- 270 members over the whole of supply chain, Domestic and Export.
- Sector Council: AGEIC working successfully.
- Significant work being done overseas with AGIC ASIA Conference and Round Table discussions. International Grain Trade Coalition (IGTC) secretary.
- GTA working closely with Federal Government on a range of issues.



Core Task – Facilitation of Trade

Grain Trading Standards

Reflect

Requirements & capabilities in:

1. Regulation
2. Production Sector
3. Supply Chain
4. Consumptive Sector

Trade Rules & Contracts

Ensure confidence in commercial dealings by providing legal rigour

Dispute Resolution Services

Underpins Contractual Arrangements

Trade & Market Access

Engaging with Policy makers to ensure fair & equitable trade and access to domestic & global markets

Industry Stewardship & Capability

Leadership and Codes of Practice
Increase Industry capacity by providing training & development programs

*Industry driven and managed
“Self Regulatory Framework”*

SECURITY FOR GRAIN PAYMENTS. INSOLVENCIES.

The facts:

45 Grain businesses went into administration during the last 23 years in Australia. Largest, NSW Grains Board in 2000 for \$160 million

2 in WA

Most GTA members take out debtor insurance. Recent Lempriere insolvency, it seems GTA members with significant exposure, safe.

Growers insure house, sheds, machinery and crops but seem reluctant to insure for the last trade.

Room for better use of PPSR (with growers). It has benefited those who use it (Walgett)

Greater education needs to occur, no one is immune.

GTA very active in education. GTA Advisory and Compliance day this month, will concentrate on insolvencies.

The Code



MANAGEMENT OF GRAIN WITHIN THE AUSTRALIAN GRAIN SUPPLY CHAIN:

Australian Grain Industry – Code of Practice

FIRST EDITION PUBLISHED JULY 2013.
UPDATED MAY 2018.

Compiled on behalf of the Australian Grain Industry by:
Grain Trade Australia



Australian Government
Department of Agriculture
and Water Resources

The development and review of the Australian Grain Industry Code of Practice (Code) has been funded by the Australian Government Department of Agriculture and Water Resources.

The Code and associated Transport Code of Practice and Technical Guideline Documents are important components of the Australian Grain Industry's self-regulatory framework. These documents outline the base requirements for procedures and quality assurance processes across the supply chain. Adoption of the Code enhances value for industry and its customers, creating confidence in the Australian grain supply chain and its products.

The Grain Trade Australia Board and the Department of Agriculture and Water Resources endorse this Code and encourage all Australian grain industry and supply chain participants to adhere to the principles and processes laid out in the Code and associated Technical Guideline Documents.



**GRAIN TRADE
AUSTRALIA**

*The development of the Australian Grain Industry Code of Practice
has been undertaken by Grain Trade Australia.*

Grain Trade Australia Ltd

Postal: PO Box R1829 Royal Exchange NSW 1225 Australia

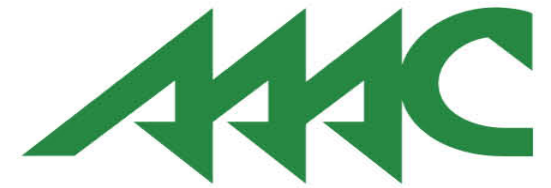
Street: Level 7, 12 O'Connell Street, Sydney NSW 2000

Phone: +61 2 9235 2155 | Fax: +61 2 9235 0194

www.graintrade.org.au

THANK YOU

Questions



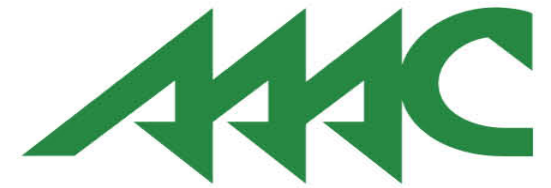
**AUSTRALIAN ASSOCIATION OF
AGRICULTURAL CONSULTANTS**
WESTERN AUSTRALIA INCORPORATED

Afternoon Tea

2.30pm – 2.45pm

www.aaacwa.com.au

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**AUSTRALIAN ASSOCIATION OF
AGRICULTURAL CONSULTANTS**
WESTERN AUSTRALIA INCORPORATED

New FASEA Requirements – *Current & new entrants*

Luke Knight
Kaplan Professional

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Join Zoom Meeting

<https://kaplananz.zoom.us/j/143665511>

One tap mobile

+61871501149,,143665511# Australia

+61280156011,,143665511# Australia

Dial by your location

+61 8 7150 1149 Australia

+61 2 8015 6011 Australia

Meeting ID: 143 665 511



Professional and Education Standards for Financial Advisers

How Kaplan Professional can help you

Agenda

01



**Your critical
dates**

02



**Your education
pathway**

03



**Your exam
preparation**

04



**Your CPD
requirements**

06



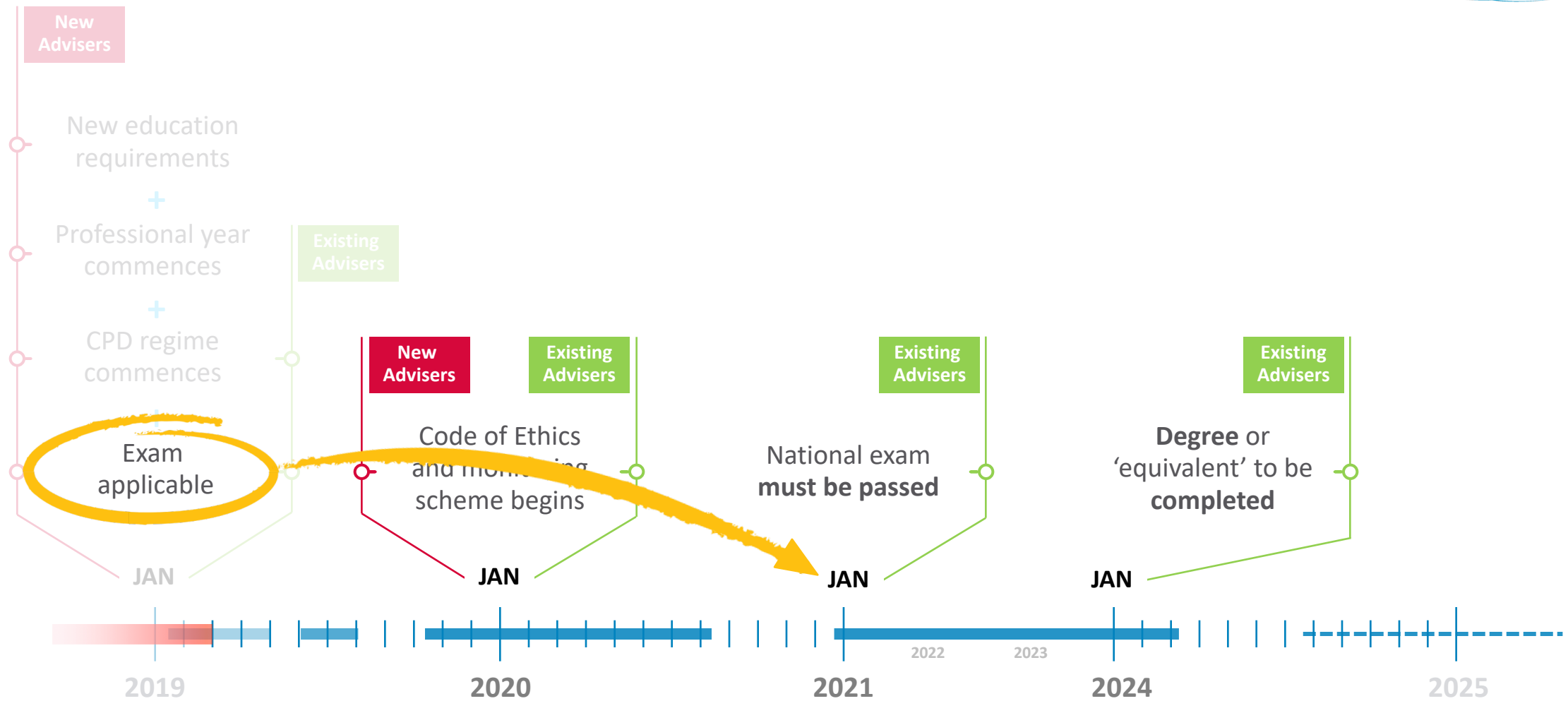
**The Code
of Ethics**

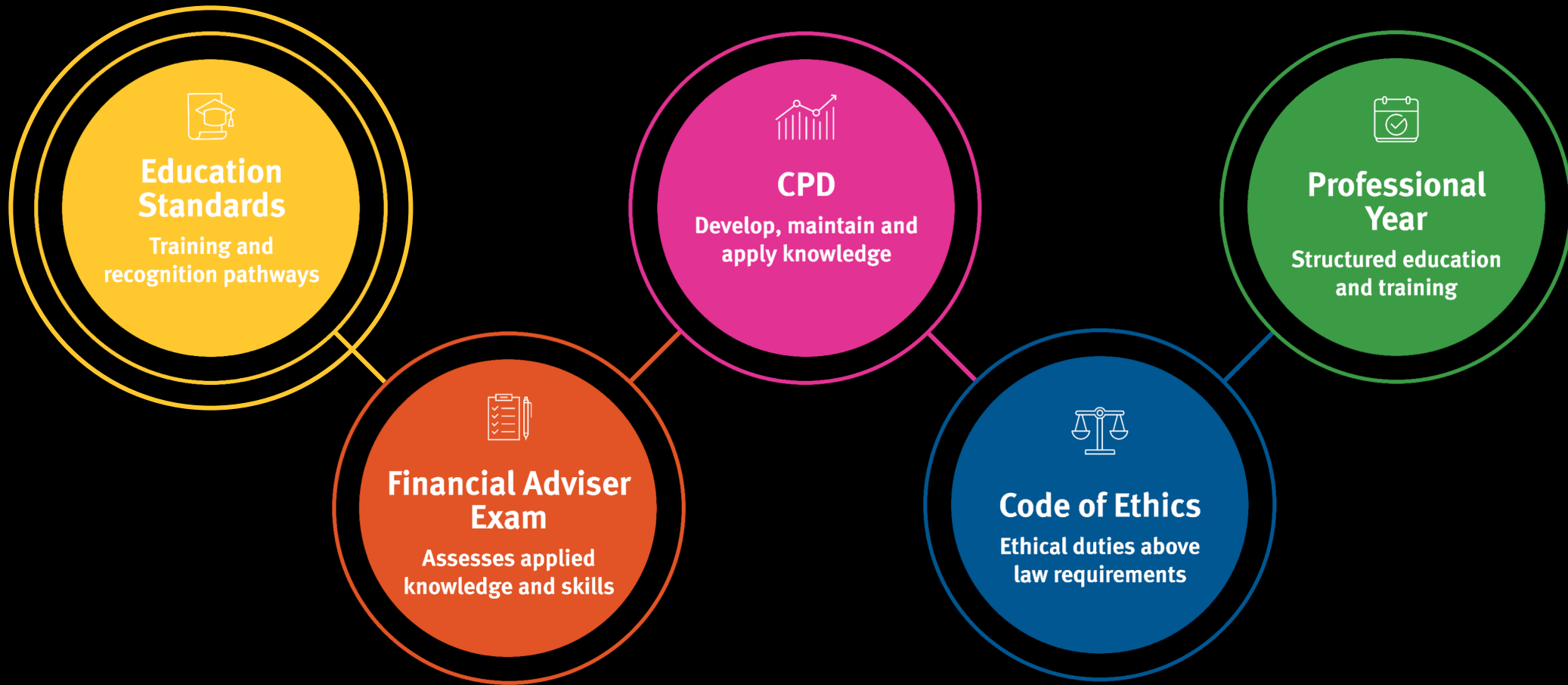
07



**Our
Approach**

Your critical dates and milestones





New entrant

Existing adviser

with **approved** degree

Existing adviser

with **relevant** degree

Existing adviser

with **non-relevant** degree

Existing adviser

with **no** degree

Complete a maximum of 7 subjects
Further credits available

Education required

Approved Graduate Diploma
(7 subjects at AQF8)

by no later than
Jan 1, 2024

Education required

Approved Graduate Diploma
(8 subjects at AQF8)

OR
Other approved qualifications

Complete a maximum of 8 subjects
Further credits available

Advisers must do 1 subject.
Credits are not available for Ethics & Professionalism.

(AQF9)
All with embedded business
knowledge areas



RPL - Recognition of Prior Learning

1. Holds an AQF8 or above qualification
2. Completed relevant subjects
3. Between 4 and 8 years of experience



Fields of study in any of the following
- financial planning, insurance, accounting, taxation
(defined by the TPB), finance, business law
(by the TPB), investment law, banking, economics

Relevant degree areas specified
Complete a maximum of 4 subjects
Further credits available



Existing advisers – No degree

	 Credits	 Study
No degree	0	8
No degree & ADFP	2	6
No Degree & Designation	2	6
No degree & ADFP & Designation	4	4



Existing advisers – Non-relevant degree (0-3)

	 Credits	 Study
Non-relevant degree (0-3)	1	7
Non-relevant degree (0-3) & ADFP	3	5
Non-relevant degree (0-3) & Designation	3	5
Non-relevant degree (0-3) & ADFP & Designation	-	3


Existing advisers – Non-relevant degree (4-7)

	 Credits	 Study
Non-relevant degree (4-7)	3	5
Non-relevant degree (4-7) & ADFP	-	3
Non-relevant degree (4-7) & Designation	-	3
Non-relevant degree (4-7) & ADFP & Designation	-	1

Existing advisers – Relevant degree

	 Credits	 Study
Relevant degree	4	4
Relevant degree & ADFP &/or Designation	-	1
Relevant degree & Non-relevant (0-3)/(4-7)	-	?

Existing advisers – Approved degree

	 Credits	 Study
Approved degree	-	1
Approved degree & ADFP &/or Designation	-	1

Existing Master of Financial Planning



Graduate Diploma of Financial Planning

Existing

FPC001

Economic Legal
& Ethical
Context for
Financial
Planning

FPC002

Applied
Financial
Planning

FPC003

Superannuation
and Retirement
Advice

FPC004

Insurance
Advice

FPC005

Estate and
Succession
Planning

FPC006

Tax and
Commercial Law
for Financial
Planning

FPC007

Client
Engagement
Skills

FPC008

Investment
Advice



FPC001

Financial Advice
Regulatory &
Legal Obligations

(bridging course)

FPC002

Ethics and
Professionalism

(bridging course)

FPC003

Superannuation
and Retirement
Advice

FPC004

Insurance
Advice

FPC005

Estate and
Succession
Planning

FPC006

Tax and
Commercial Law
for Financial
Planning

FPC007

Behavioural
Finance

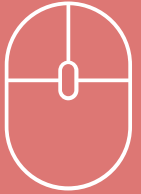
(bridging course)

FPC008

Investment
Advice

Proposed

FASEA Accreditation Process



FPS002

Policy released & opened accreditation process for HE providers.



Commenced

Kaplan has commenced the accreditation process.



Evidence

Preparing evidence against standards & mapping of courses.



Close

First round application due Friday 12 April. Four weeks to prepare.



Review

FASEA will take 8 weeks to review. Outcome first-second week of June.



Draft framework

Framework already developed

01 Regulatory & Legal obligations

- Chp. 7 of Corporations Act
- Requirements of an FSG
- Requirements of an SoA
- Breaches of Financial Disclosure
- Notification obligations
- Knowledge of legal requirements
- AML/CTF & Privacy legislation
- Compliance with TPB

K Practical understanding of legislation and regulation

K Contemporary financial planning practices

02



- Abiding by the Code of ethics
- Ethical frameworks & case studies
- Best interest duty
- Due diligence client files and records

K Bringing to life the Code of Ethics

K Distinguishing between legal & ethical obligations

03 Behavioural Finance

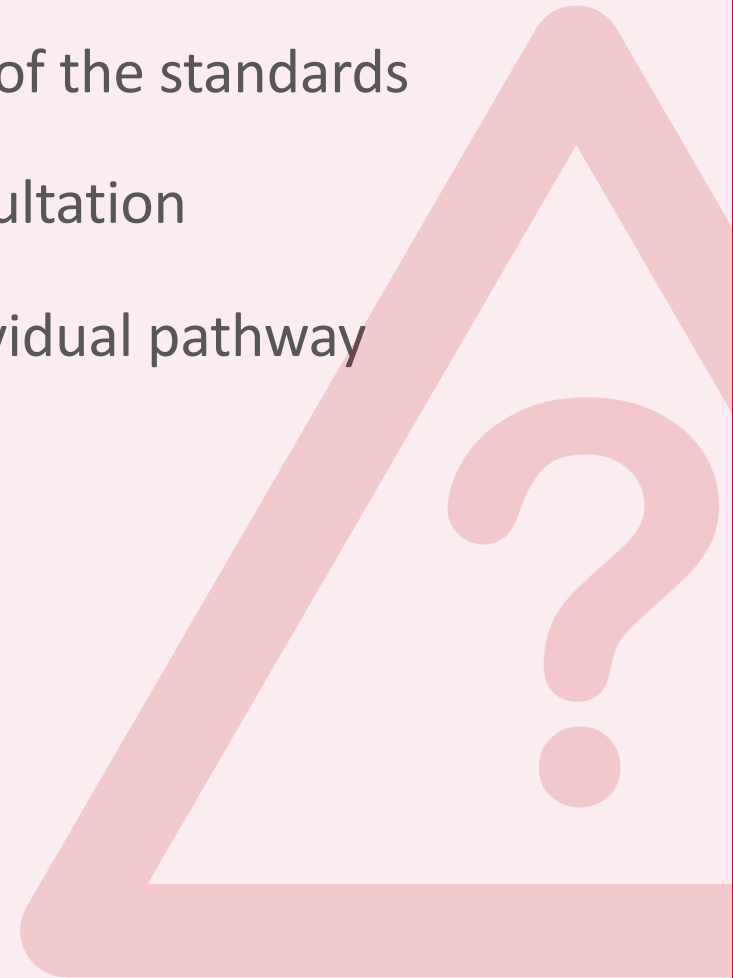
- Behavioural biases
- Decision-making processes
- Linking bias and decision making
- Human and financial capital
- Client engagement
- Professional client relationships
- Best interest of the client

K Working beyond client engagement to support business growth

K Enhancing the quality of advice based on client/adviser/community expectations

Note

- These proposed credits are based on the current status of the standards
- This is a work in progress and may change through consultation
- Supporting evidence is required to determine each individual pathway

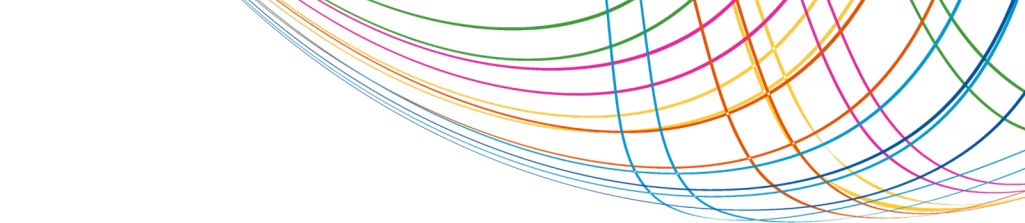


No degree

Proposed credits based on education

	ADFP	Designation	ADFP & Designation
FPC001 Financial advice reg. & legal obligations			
FPC002 Ethics & professionalism			
FPC003 Superannuation & retirement advice			
FPC004 Insurance advice		✓	✓
FPC005 Estate & succession planning	✓		✓
FPC006 Tax & commercial law for FP	✓		✓
FPC007 Behavioural finance			
FPC008 Investment advice		✓	✓
	Complete maximum 6	Complete maximum 6	Complete maximum 4

Non-relevant (0-3) degree



Proposed credits based on education

	Non-relevant (0-3)	Non-relevant & ADFP	Non-relevant & Designation	Non-relevant (0-3) & ADFP & Designation
FPC001 Financial advice reg. & legal obligations				Required
FPC002 Ethics & professionalism				Required
FPC003 Superannuation & retirement advice				
FPC004 Insurance advice	✓	✓	✓	
FPC005 Estate & succession planning		✓	✓	
FPC006 Tax & commercial law for FP		✓		
FPC007 Behavioural finance				Required
FPC008 Investment advice			✓	
	Complete maximum 7	Complete maximum 5	Complete maximum 5	Complete 3



Non-relevant (4-7) degree

Proposed **credits** based on education

	Non-relevant (4-7)	Non-relevant & ADFP	Non-relevant & Designation	Non-relevant (4-7) & ADFP & Designation
FPC001 Financial advice reg. & legal obligations		Required	Required	
FPC002 Ethics & professionalism		Required	Required	Required
FPC003 Superannuation & retirement Advice				
FPC004 Insurance advice	?* ?			
FPC005 Estate & succession planning	?* ?			
FPC006 Tax & commercial law for FP	?* ?			
FPC007 Behavioural finance		Required	Required	
FPC008 Investment advice	?* ?			
	*3 credits based on prior learning Complete maximum 5	Complete 3	Complete 3	Complete 1

Relevant degree

Proposed credits based on education

	Relevant	Relevant & ADFP &/or Designation
FPC001 Financial advice reg. & legal obligations		
FPC002 Ethics & professionalism		Required
FPC003 Superannuation & retirement Advice		
FPC004 Insurance advice		
FPC005 Estate & succession planning	✓	
FPC006 Tax & commercial law for FP	✓	
FPC007 Behavioural finance	✓	
FPC008 Investment advice	✓	
	Complete maximum 4	Complete 1

Approved degree

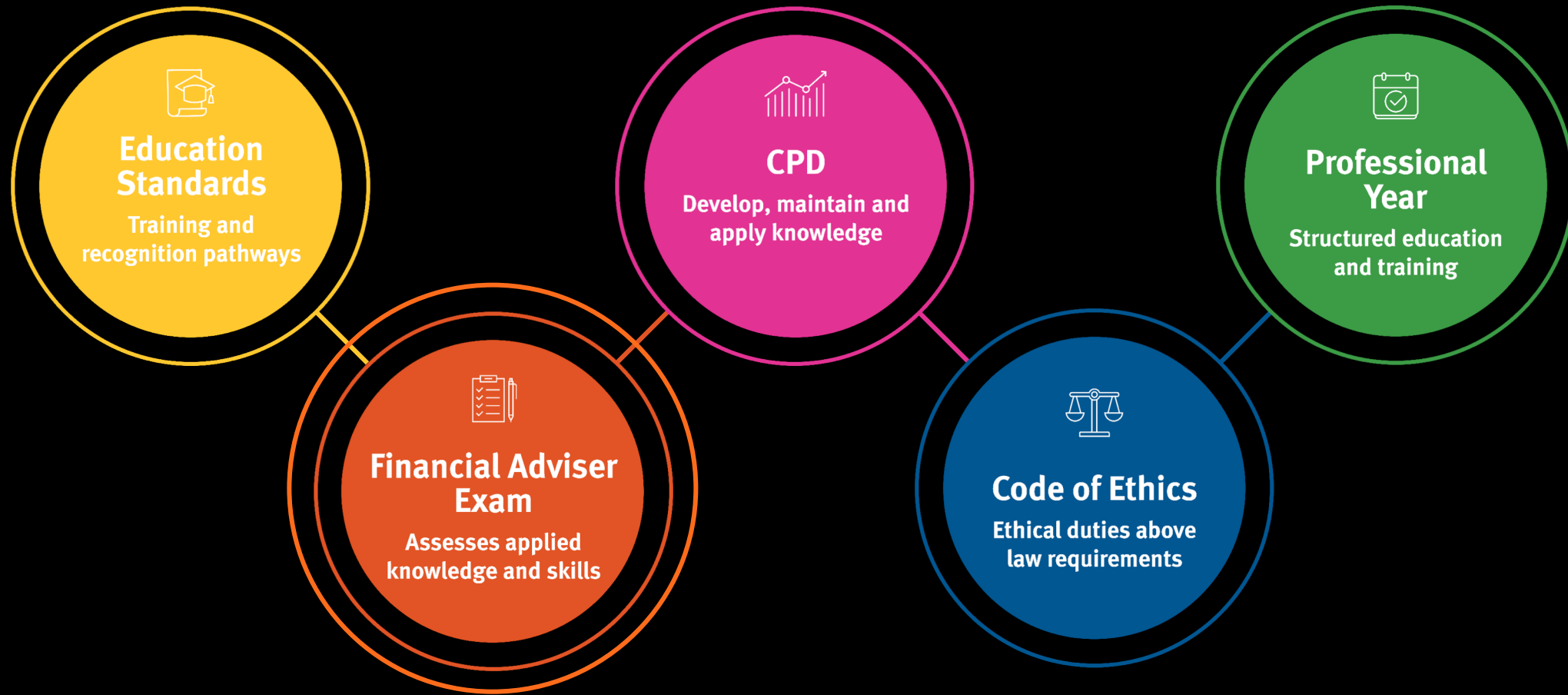
Proposed credits based on education

	Approved	Approved & ADFP &/or Designation
FPC001 Financial advice reg. & legal obligations		
FPC002 Ethics & professionalism	Required	Required
FPC003 Superannuation & retirement Advice		
FPC004 Insurance advice		
FPC005 Estate & succession planning		
FPC006 Tax & commercial law for FP		
FPC007 Behavioural finance		
FPC008 Investment advice		
	Complete 1	Complete 1

You asked....

My qualification isn't on the approved list – how do I know if it's a relevant one?

The Professional Standards





Our approach to your National Exam



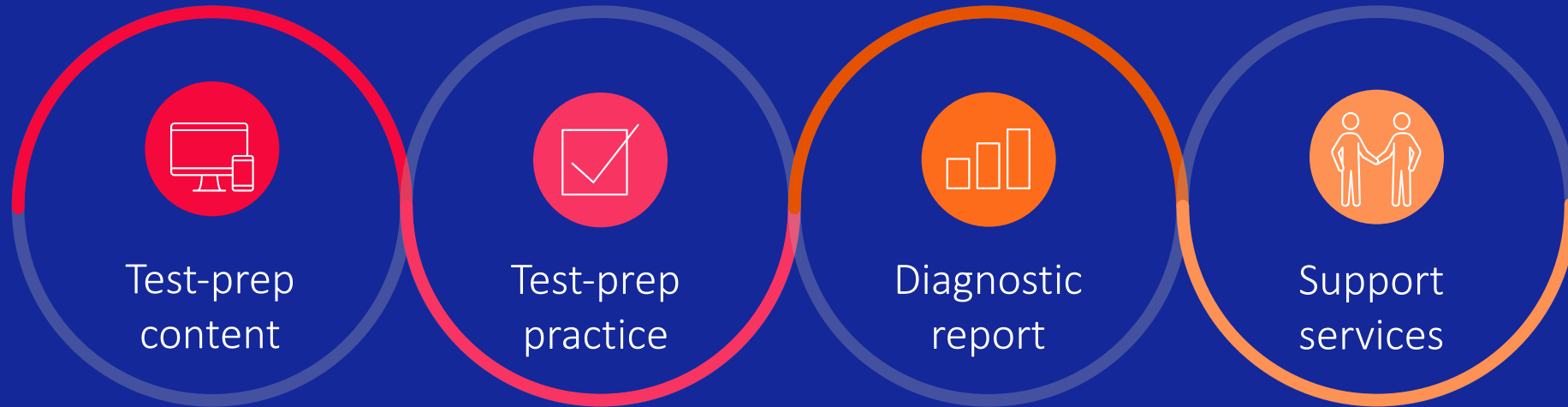
You asked....

I'm worried about the exam – how do I know what to study and what do I need to know?



How we can help you prepare for the exam

April 2019



Reference resources,
study tips, packages
for each domain.



Extensive question
bank, aligns to
FASEA structure.



Feedback, cohort
reports,
benchmarking.



Clarify questions, assist
with bridging gaps in
knowledge.

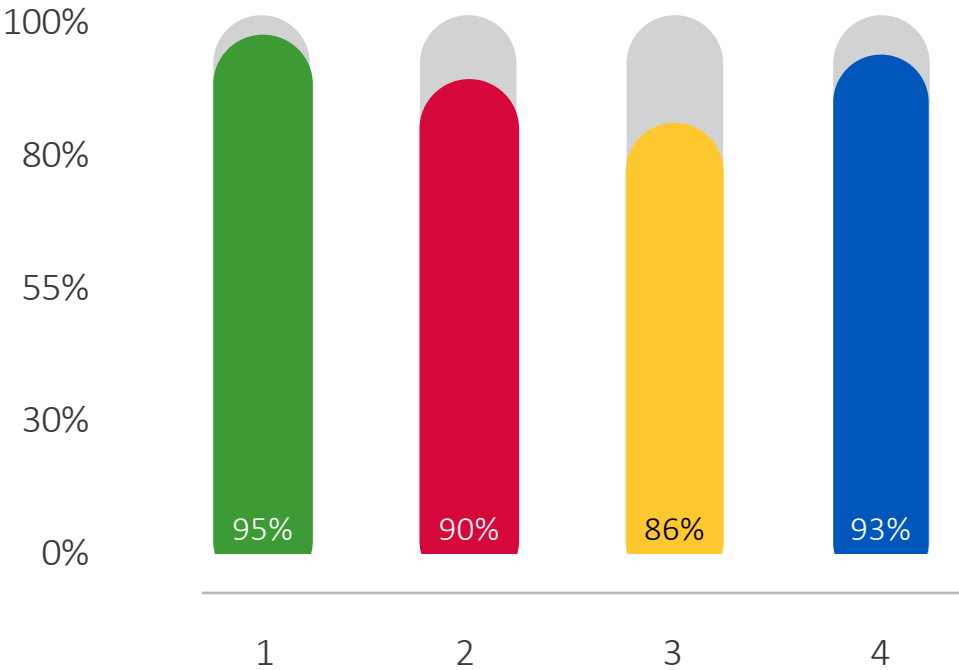


Aim to complete 2 subjects before commencing test prep

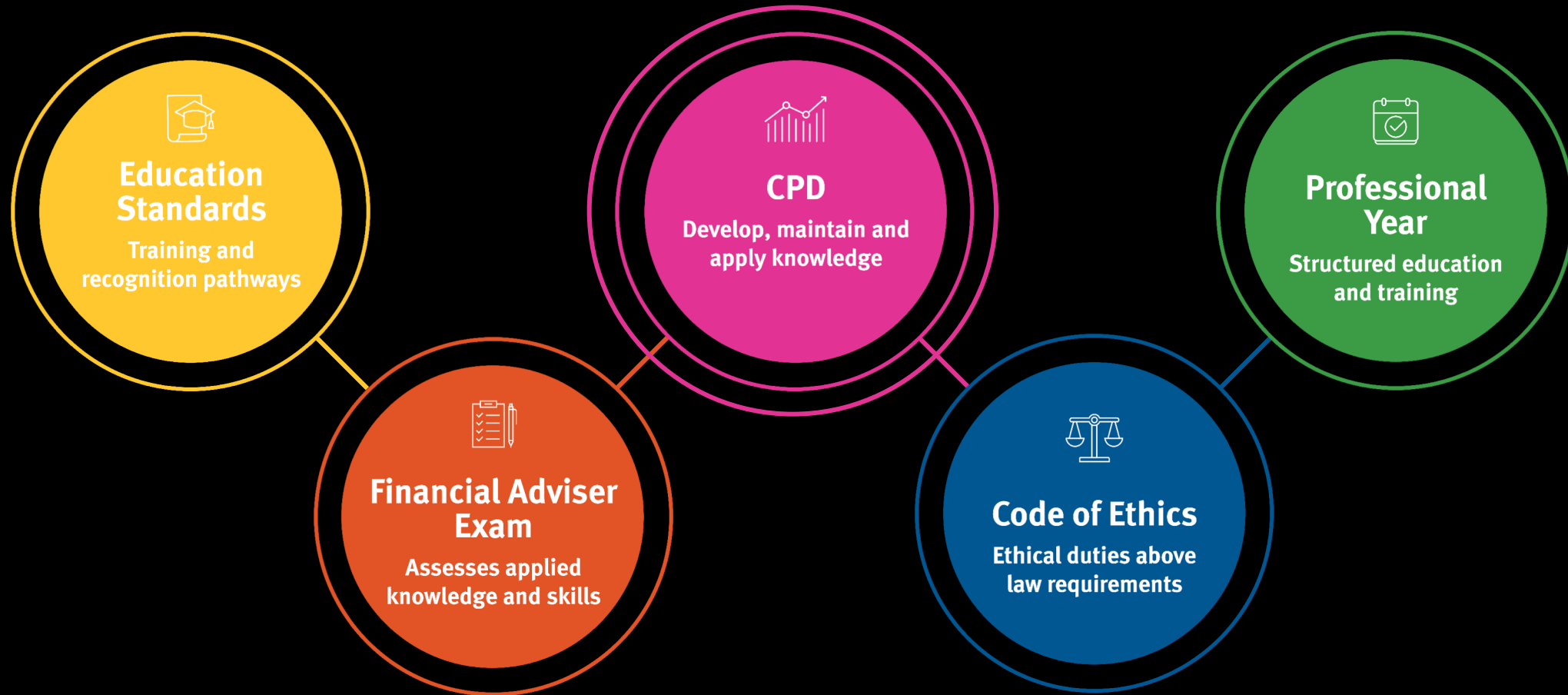
Practice exam

	Average MCQ Score	Highest score/64	Lowest score/64
Group 1	78%	61	37
Group 2	78%	57	40
Group 3	75%	59	34
Group 4	79%	60	39
Group 5			
Group 6			
Group 7			
Group 9			
Group 10			

Multiple choice pass rate



The Professional Standards



Continuing Professional Development

Policy

70% approved by licensees

30% self-assessed

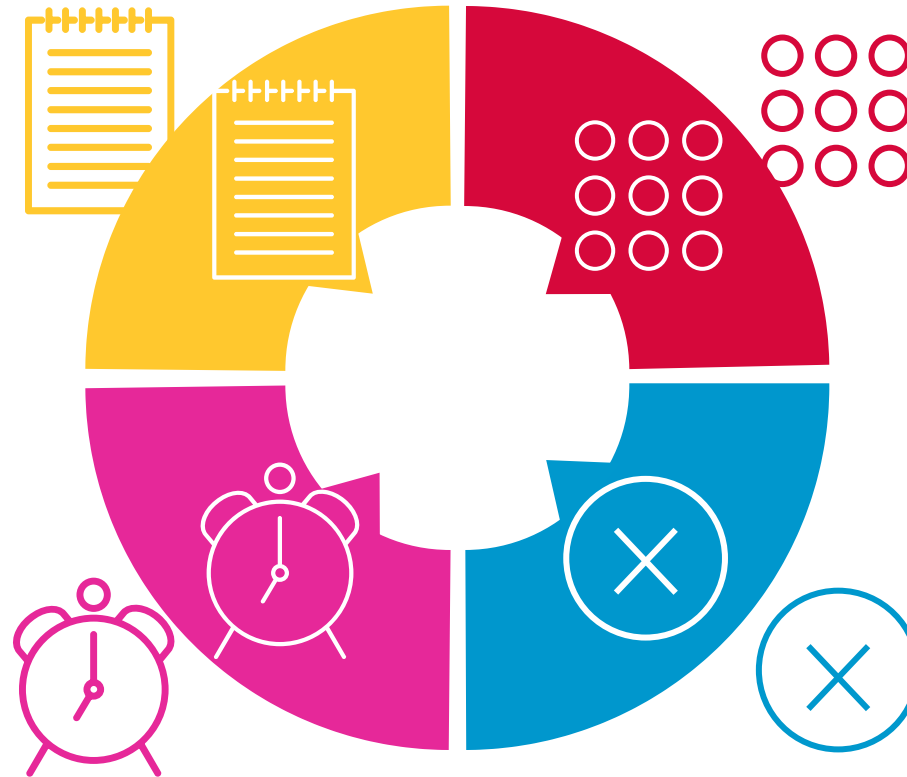
Licensee CPD Policy & PDP –
due 31/03/19

Hours

40 hrs/year

Formal education capped 30hrs

PY pro-rata CPD hrs allowed



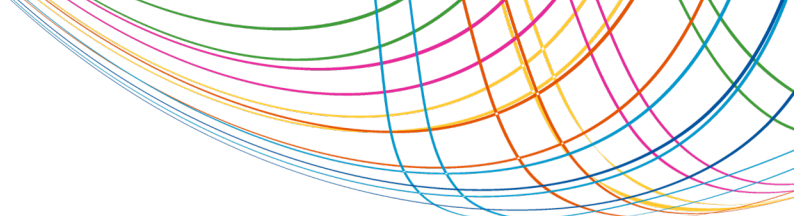
Categories

1. Technical competence (5hrs)
2. Client care (5hrs)
3. Compliance & consumer protection (5hrs)
4. Professionalism & ethics (9hrs)

Breach


Recorded on Register of Relevant providers

Example 1 – Pro-rata



Your Licensee's start date for the CPD year is 1 July 2019. As the FASEA CPD requirements apply from 1 January 2019, a transitional arrangement will apply for your first CPD year.

The first-year CPD plan will commence 1 January 2019 to 30 June 2020 and the overall hour-requirement will be:

- 20 hours (pro-rated requirement reflecting 1 January 2019 – 30 June 2019)
 - 40 hours (full-year requirement reflecting 1 July 2019 to 30 June 2020).
 - An overall requirement of 60 hours is to be completed.
- 



We are your CPD Partner



Published FASEA CPD areas. Assessment of content areas to assign hours.



Accommodates CPD plan period, CPD areas & 30 hrs. formal study.

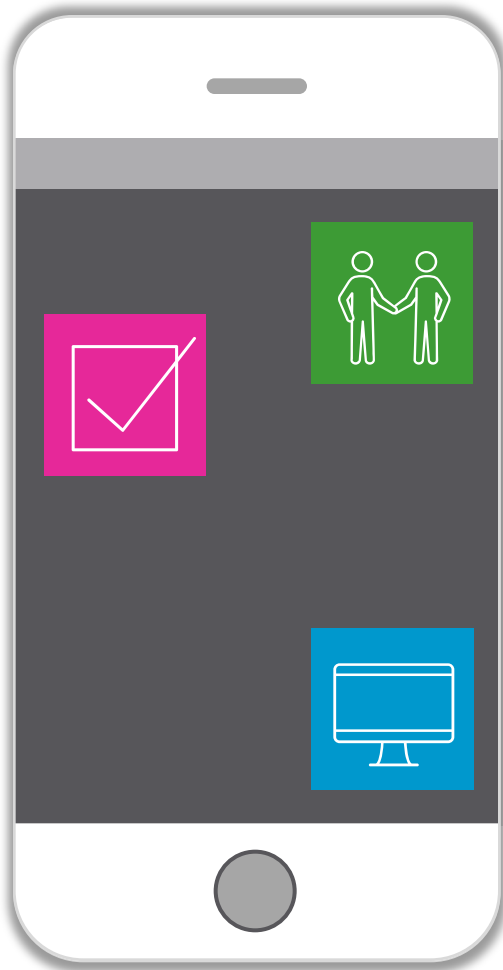


Professional & tech library, test prep, specialist ethics & PY library.



FAQ, CPD mapping, CPD policy & plan advice, admin & transition support.

The technology



The platform meets FASEA CPD requirements:

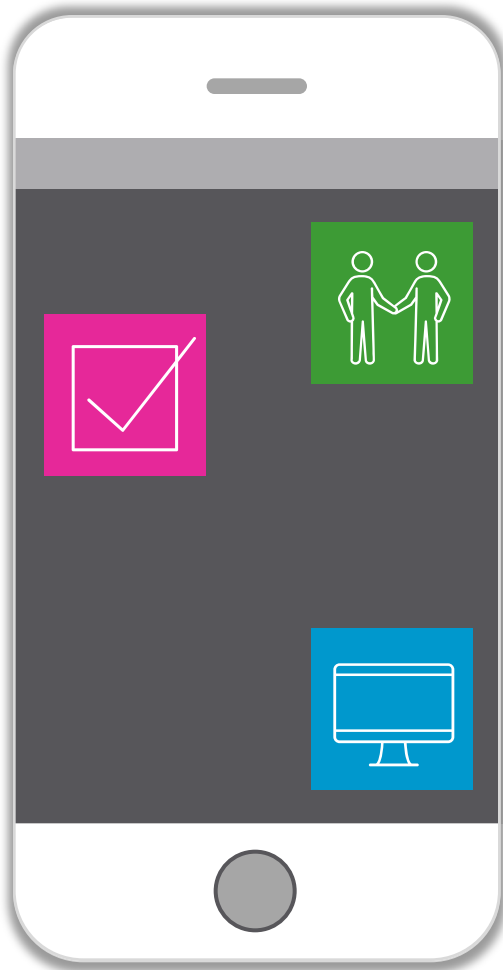
Set CPD target, minimum requirements in CPD areas and training plans

Upload own content, and licensees can approve CPD activities

Manages formal education cap of 30 hours

Automatic recognition of activities

The content - Qualifying CPD Activity



Qualifying CPD Activity extending beyond FASEA requirements:

Clearly defined learning outcomes (LO), mapped to AQF

Defined target audience – introduction, intermediate, advanced

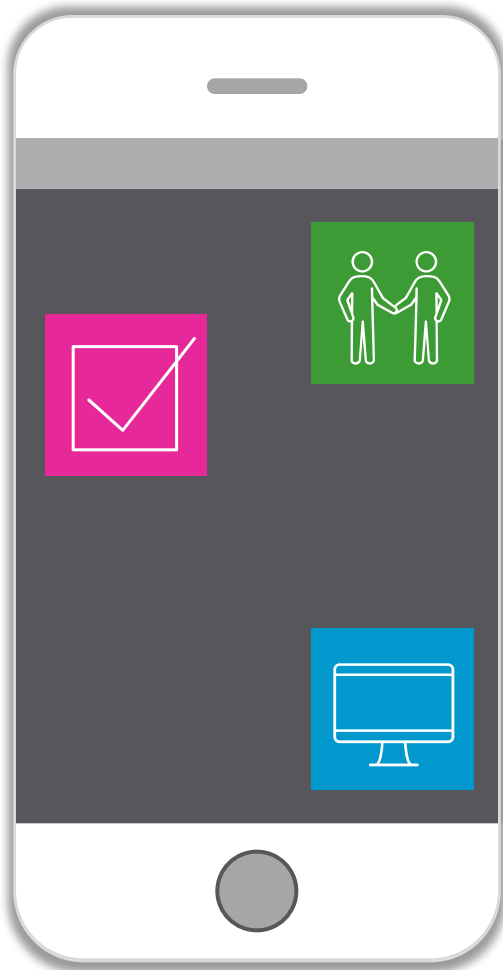
Written & checked by persons with qualifications & practical experience

Assessments mapped to LO – as evidence of learning achieved



‘Conducted and led’ always intended to include digital content

The services



Services to support your requirements:

Assist with CPD policy development

Guidance on transitional requirements

Assist with development of CPD Plan

Free CPD accreditation service & administrative support

You asked....

I only provide specialist advice in foreign exchange – do I need to comply with the full 40 hours and minimum requirements across all the CPD areas?

You asked....

Will Ontrack automatically recognise formal education?

You asked....

If I complete formal education, does that mean I'm only required to complete a further 10 hours that CPD year?

Example 2



You complete a higher education subject covering ethics, you can count 30 hours against your CPD in that CPD year. This subject is allocated to the 'Professionalism and Ethics' CPD area. Therefore, you have met the minimum requirement of 9 hours in this CPD area.

But, you're still required to meet the minimum requirements in the other CPD areas:

- Technical Competence (5 hours)
- Client Care and Practice (5 hours)
- Regulatory Compliance and Consumer Protection (5 hours)

Total: 15 hours remaining to complete

Example 3



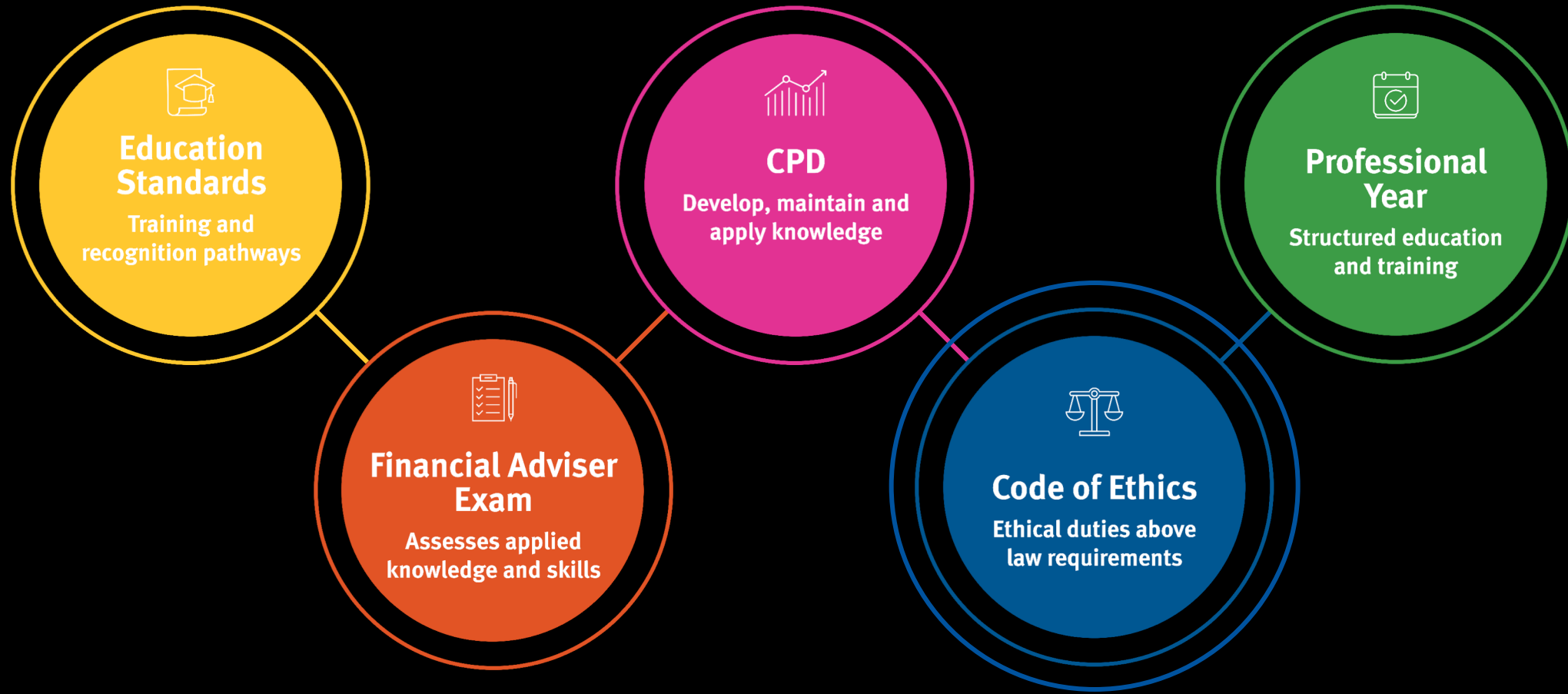
You complete a higher education subject covering technical and regulatory compliance. You can count 30 hours against your CPD in that CPD year. This subject is allocated to 'Technical Competence' (15 hours) and 'Regulatory Compliance and Consumer Protection' (15 hours). Therefore, you've met the minimum requirements in each of these CPD areas.

But, you're still required to meet the minimum requirements in the other CPD areas:

- Client Care and Practice (5 hours)
- Professionalism and Ethics (9 hours)

Total: 14 hours remaining to complete

The Professional Standards



Code of Ethics

01

STANDARDS OF ETHICAL BEHAVIOUR

- **Standard 1:** Act in accordance with all applicable laws
- **Standard 2:** Act with personal integrity
- **Standard 3:** Do not advise or act to derive inappropriate personal advantage

02

STANDARDS OF CLIENT CARE

- **Standard 4:** Act only on the basis of the consent of a client
- **Standard 5:** Ensure advice is in the client's best interest and that the client understands
- **Standard 6:** Consider the effects of the advice you provided

03

STANDARDS OF QUALITY PROCESS

- **Standard 7:** Obtain informed consent to all benefits and in accordance corporations Act 2001
- **Standard 8:** Maintain complete and accurate records
- **Standard 9:** Ensure that advice is offered in good faith

04

STANDARDS OF PROFESSIONAL COMMITMENT

- **Standard 10:** Maintain a high level of relevant knowledge and skills
- **Standard 11:** Cooperate with ASIC and Code Monitoring Bodies in investigations
- **Standard 12:** uphold and promote the ethical standards of the profession

Trust

Competence

Honesty

Fairness

Diligence

Note: Standards are summarised and not verbatim



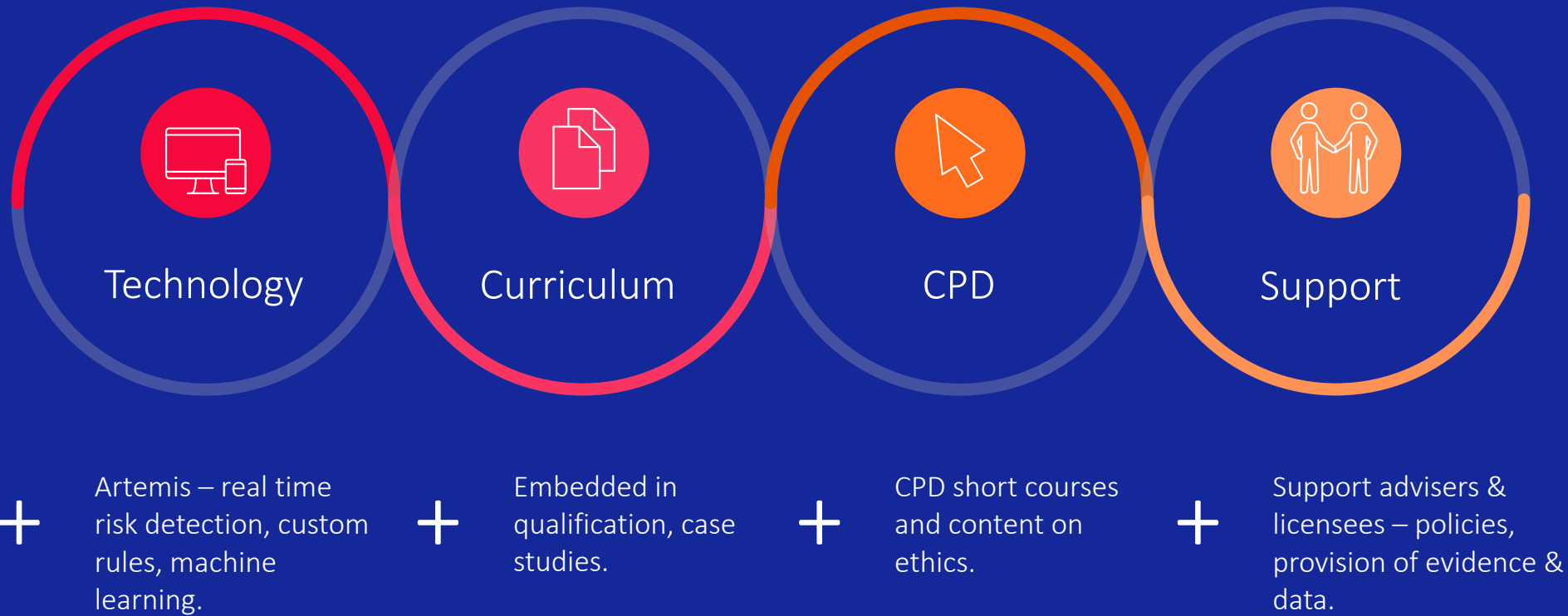


Our approach to your Code of Ethics & Code Monitoring requirements

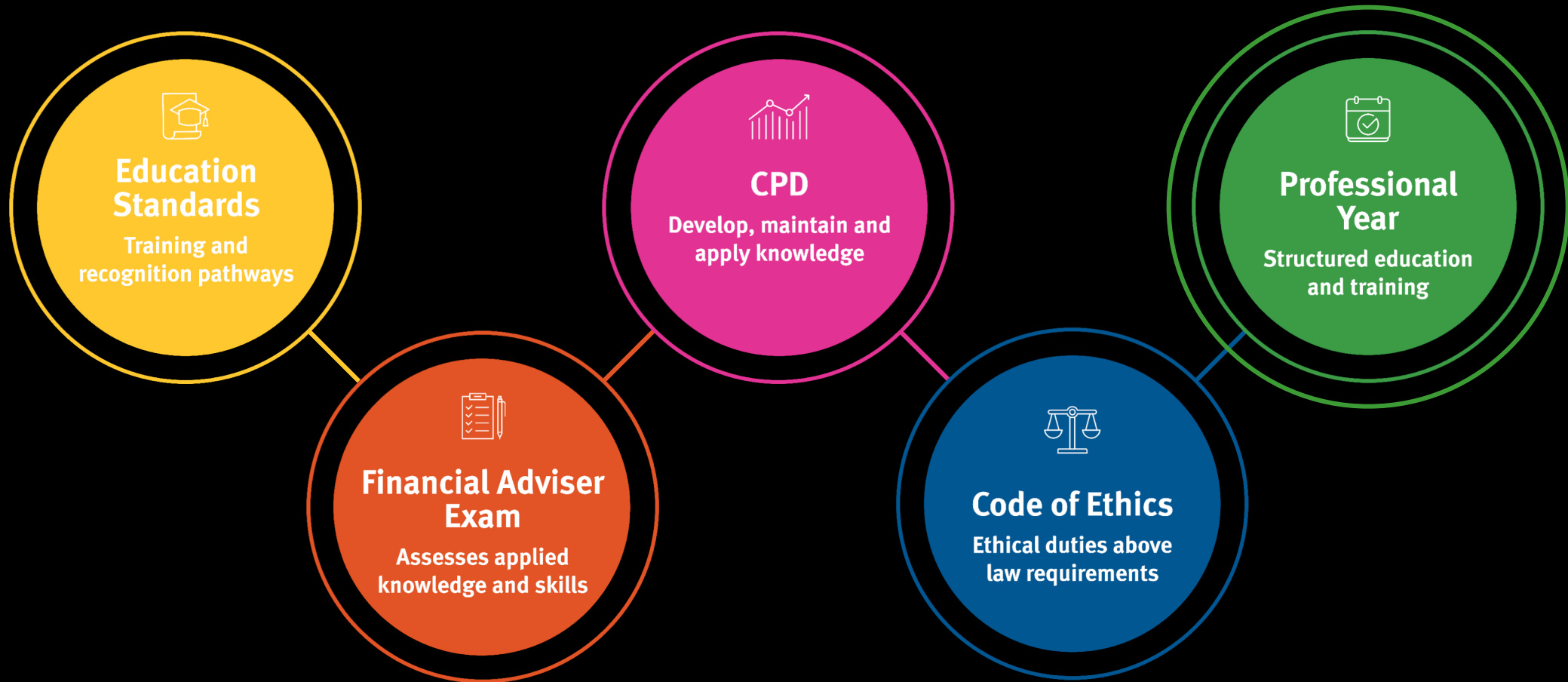




Our approach to your Code of Ethics & Code Monitoring requirements



The Professional Standards





Our approach to your Professional Year





Our approach to your Professional Year



Executive leadership (Eleven), leadership & mgmt., short courses.



Tailored workshops for PRP to meet business needs.



Structured learning plans, key quarterly activities, PY year libraries.



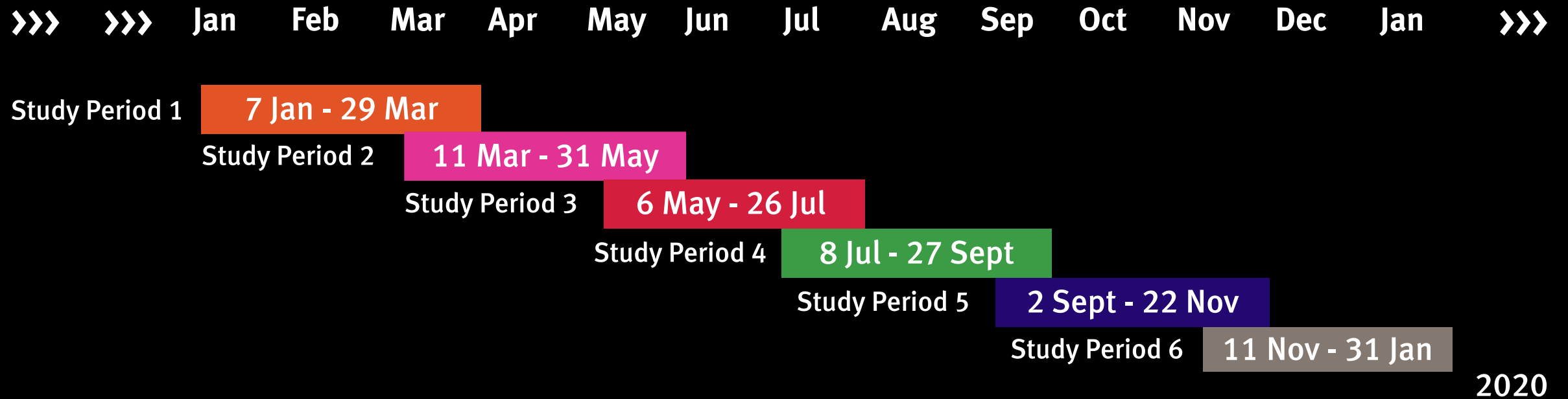
Support webinars, resources for supervisors & PRP.



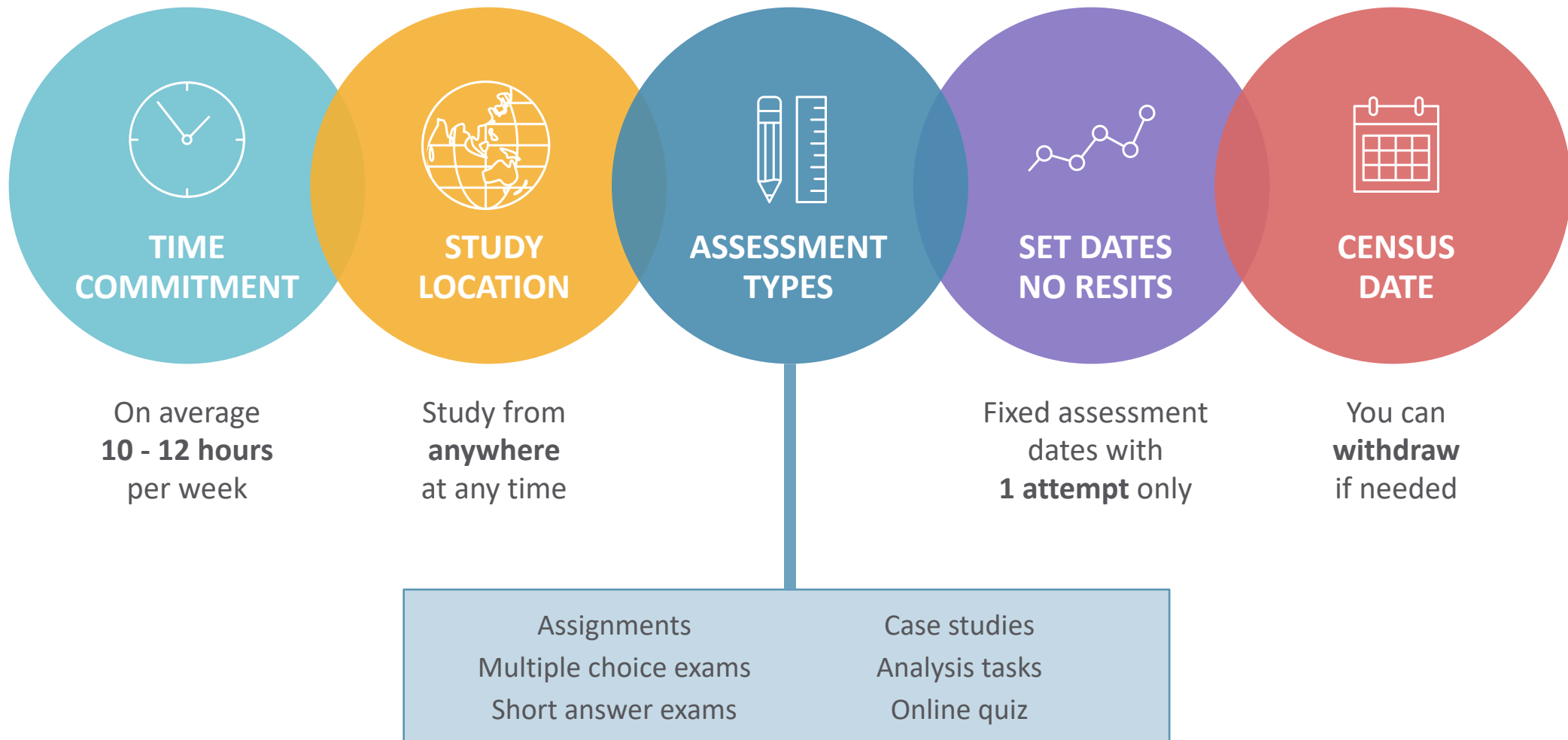
Kaplan Professional as your education partner

Studying with us

Six study periods in 2019



Your key considerations





Study skills





Study skills

01

Plan your study

Develop a study plan, and tips & tricks to manage time.

02

Prepare for that exam

Revision, research and strategies to do well in an exam.

03

Prepare for that assessment

Research and responding to different question types.

04

Find your way around online

Navigate confidently & engage with online resources.

05

Connect with your support network

Build a support community by engaging with peers and Kaplan Professional staff.

06

Request time to study

Learn how to integrate study and work obligations.

07

Access research & planning tools

Referencing, database access, library resources and tools.

08

Get motivated and stay there

Set goals, keep physically and mentally healthy for success.

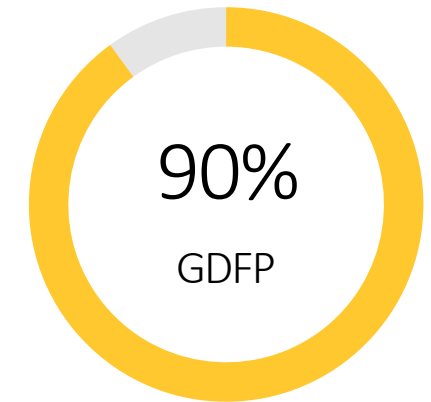
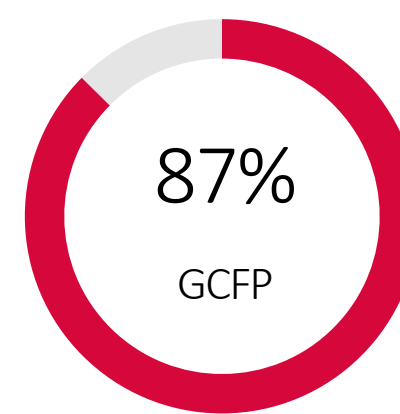
Recommend Kaplan



Content well-organised



2018 average pass rates



Student progression

GCFP

92.6%

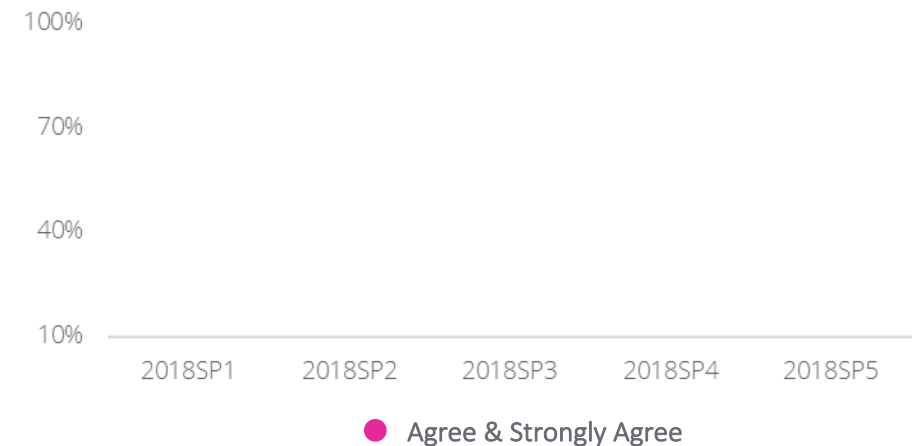
GDFP

87.7%

MFP

88.9%

User-friendly online environment

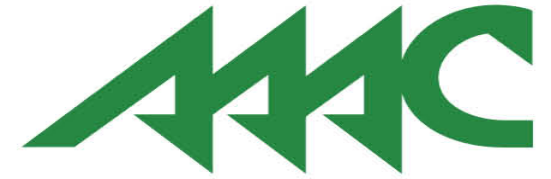


Questions



Professional and Education Standards for Financial Advisers

How Kaplan Professional can help you



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WESTERN AUSTRALIA INCORPORATED

PI Insurance

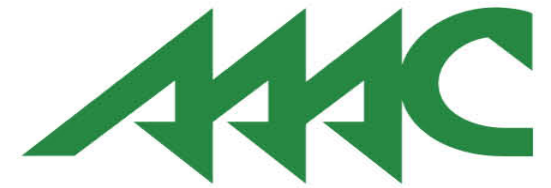
Options, providers & wording

Matthew Hantler

Integra Insurance Brokers

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**AUSTRALIAN ASSOCIATION OF
AGRICULTURAL CONSULTANTS**
WESTERN AUSTRALIA INCORPORATED

Grain Marketing Close

Thank you for your attendance

Depart for Joe White Tour

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