



Professional Standards Councils **Annual Report 2010–11**

Australian Capital Territory | New South Wales | Northern Territory | Queensland
South Australia | Tasmania | Victoria | Western Australia



PROFESSIONAL STANDARDS COUNCILS



VISION

To be recognised as thought leaders in and influencers of professional standards and consumer protection, with demonstrable competence in setting liability caps.

As confidence grows in the positive impact of the legislation, we will be respected and trusted by all our stakeholders as we strive to broaden our relationships with current scheme-holders and new occupations and associations.



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ACRONYMS, ABBREVIATIONS AND DEFINITIONS

ACT	Australian Capital Territory
ACS	Australian Computer Society
APIV	Australian Property Institute Valuers Limited
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
AVI	Australian Valuers Institute (formerly Institute of Consulting Valuers)
CIRCEA	College of Investigative and Remedial Consulting Engineers of Australia
COAG	Council of Australian Governments
COE	Continuing Occupational Education
CPA	Certified Practising Accountant
CPD	Continuing Professional Development
DAGJ	Department of Attorney General and Justice
EA	Engineers Australia
FARMCs	Finance, Audit and Risk Management Committees
FOI	Freedom of information legislation
GIPA	<i>Government Information (Public Access) Act 2009</i>
ICAA	Institute of Chartered Accountants in Australia
IFAC	International Federation of Accountants
IPA	Institute of Public Accountants
IRMP	Internal Risk Management Plan
KPI	Key Performance Indicator
LIAG	Legal Issues Advisory Group
LIV	Law Institute of Victoria
LRSG	The Liability Reform Steering Group
LSNSW	The Law Society of New South Wales
NIA	National Institute of Accountants
NSW	New South Wales
NSW Bar	New South Wales Bar Association
NSW DAGJ	New South Wales Department of Attorney General and Justice
NT	Northern Territory
OHS	Occupational Health and Safety
OPSC	The Office of the Professional Standards Councils – the operational headquarters of the Professional Standards Councils, providing Secretariat services to the Councils.
PII	Professional Indemnity Insurance
PSC	Professional Standards Council
PSL	Professional Standards Legislation
PSLWG	Professional Standards Legislation Working Group
PSOA	Professional Surveyors Occupational Association
Professional Association	The terms “professional association” and “occupational association” (or simply “association”) are used interchangeably in this document

Qld	Queensland
QLS	Queensland Law Society
RMP	Risk Management Plan
SA	South Australia
Schemes	<i>Cover of Excellence</i> ® Schemes approved and gazetted under professional standards legislation
SCAG	Standing Committee of Attorneys General
Secretariat	
	The staff of the Office of the Professional Standards Councils, within the NSW DAGJ
SIG	Star Initiative Grants
Tas	Tasmania
TPB	Tax Practitioners Board
The Councils	
	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia
Vic	Victoria
Vic Bar	The Victorian Bar Inc.
WA	Western Australia

LETTER TO MINISTER

Dear Ministers,

I have pleasure in submitting the 2010–11 Annual Report of the Professional Standards Councils of the Australian Capital Territory, New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.

This is a consolidated Annual Report, prepared in accordance with the Professional Standards Legislation in each State and Territory, in order to be presented to their Parliaments.

During the reporting period, the Professional Standards Councils have worked with existing and new occupational associations in improving risk management standards for the professions and in protecting consumers of professional services.

Additionally, the continuing benefit of *Cover of Excellence*[®] schemes for associations with long term partnerships with the Councils has been demonstrated by associations applying for new schemes at the expiration of their current ones, and by prescription of existing schemes by the Commonwealth Government in other jurisdictions.

Yours faithfully



Brian Rayment QC
Chairman
Professional Standards Councils

CHAIRMAN'S REPORT



Brian Rayment

With the vision of being thought leaders and influencers for professional standards and consumer protection, the Professional Standards Councils have been pleased to lead innovative projects during 2010–11 which will raise professional standards, and provide objective evidence of that improvement.

As foreshadowed in last year's Annual Report, the Councils have continued the longitudinal research project commenced during the previous reporting period, which will aid in the assessment of the professional standards regime.

An equally significant highlight of the year was the re-introduction of the Star Initiative Grants Program to assist occupational association members in improving professional standards around Australia. This initiative is intended to contribute to the improvement of consumer protection outcomes.

Risk management reporting by occupational associations has been refined over the last several reporting periods. The Professional Standards Councils are pleased to make a contribution to improved risk management and consumer protection by working with occupational associations and other stakeholders such as the insurance industry.

The success of the Councils' *Cover of Excellence*[®] schemes continued, with new associations participating in the professional standards regime. Long-standing State-based schemes were also extended to other States under mutual recognition. As recognition of this success the Councils have been in a position to reduce fees by \$10 per association member for a 12 month period and, in acknowledgement of the co-operation provided by occupational associations with existing schemes, to waive the application fee

for such stakeholders in their application for a new scheme.

Further, Councillors and their secretariat, the Office of the Professional Standards Councils (OPSC), have responded to stakeholder feedback about ways in which the scheme application process might be facilitated by commencing a project to develop a secure online application system. As more associations, representing a greater diversity of occupations, participate in schemes, so the benefits of improved risk management, capped liability and consumer protection may be expected to flow through to the Australian economy as a whole.

The Councils continue to be ably assisted in these tasks by the OPSC, organised through the NSW Department of Attorney General and Justice and supporting Professional Standards Councils in all the States and Territories. Executive Officer, Philippa Seagrave, was confirmed in her leadership role during the reporting period, and the OPSC was joined by highly qualified research, legal and communications staff during 2010–11.

Our Councillors are proud to be able to make their contribution to the Professional Standards Councils in each State and Territory, promoting the importance of improved occupational standards and the resulting protection of consumers of professional services.

Brian Rayment QC
Chairman
Professional Standards Councils

HIGHLIGHTS AND ACHIEVEMENTS OF 2010–11

STAR INITIATIVE GRANTS PROGRAM

Consumer protection and excellence in professional standards are at the heart of the Professional Standards Councils' Star Initiative Grants (SIG) Program relaunched in 2010, after a hiatus of a number of years.

Assisted by the Councils' Star Initiative Grants Committee, the program invites individual members of occupational associations with *Cover of Excellence*® schemes to apply for funding for projects that focus on improvements to occupational standards in the following areas:

- Codes of ethics
- Codes of practice
- Quality management
- Risk management
- Complaints resolution
- Voluntary mediation
- Membership requirements
- Discipline of members
- Continuing Occupational Education (COE).

In May 2011 the SIG Committee recommended to the Councils that funding was to be awarded for four projects.

For the 2010–11 round of national funding, the following criteria were used to select SIG projects:

- Ability to contribute to development/ improvement of professional standards



- Provision of evidence and rationale for addressing the issues
- Contribution to the development of occupational self-regulation
- Demonstrated capacity to complete the project in a timely way.

The Councils were pleased with the nature and quality of the applications received for this round of grants, and the contributions that the funded projects are expected to make towards the improvement of professional standards and the development of self-regulation. In future years, the Councils expect to expand the SIG Program to further support and encourage the work undertaken by occupational associations and their members in these areas.

PROFESSIONAL STANDARDS RESEARCH PROJECT

The Secretariat has continued its work on the three-year research project for the Councils, which commenced in the previous reporting year. The aim of the project is to research and report on the impact of the professional standards regime in terms of standards that are in place and adhered to, the insurance market and claims made, and consumer protection associated with these things. To date, significant progress has been made and the Councils look forward to the opportunity to report on the further advancement of this project in next year's Annual Report.

REVIEW OF THE PROFESSIONAL STANDARDS ACT 2003 OF VICTORIA

Following a Victorian Government review of the *Professional Standards Act 2003* (Vic), the Report on the Statutory Review focused on the experiences of occupational groups in Victoria which have *Cover of Excellence*[®] schemes in place. The Victorian Government accepted the report's recommendations to extend the statutory role of the Professional Standards Council to provide guidance or advice to occupational associations about the operation of the *Professional Standards Act 2003* (Vic) or an occupational association scheme.

In relation to consumer protection, the report found that *Cover of Excellence*[®] schemes were an improvement. Prior to the professional standards regime, consumers who were awarded damages against a professional could not always recover those damages, due to the professional having inadequate or no insurance cover, or insufficient assets held.

NEW SCHEMES AND NEW ASSOCIATIONS

In New South Wales, the Australian Property Institute Valuers Ltd (APIV) Scheme was considered and approved by the Professional Standards Councils in July 2010.

A new scheme for the New South Wales Bar Association (NSW Bar) in its home State of New South Wales started on 1 July 2010, running for five years until 30 June 2015.

Victorian associations experienced growth in the number of schemes in operation, with the start of the Law Institute of Victoria Scheme on 1 July 2010, which will run for five years until 30 June 2015.

Additionally the NSW Bar Scheme was gazetted to operate under mutual recognition in Victoria.

In Queensland, the Queensland Law Society Scheme began operation on 1 July 2010 for a period of five years. Additionally schemes for the Professional Surveyors Occupational Association, Victorian Bar Inc, APIV and the NSW Bar were gazetted to operate under mutual recognition.

In the Northern Territory schemes for the Victorian Bar, the NSW Bar and APIV were gazetted to operate under mutual recognition.

Finally in the Australian Capital Territory and Western Australia the NSW Bar and the APIV schemes were gazetted or notified to operate under mutual recognition.

RELATIONSHIP WITH OCCUPATIONAL ASSOCIATIONS

In order to enhance the Councils' working relationship with occupational associations that participate in *Cover of Excellence*[®] schemes, the Councils have organised and attended a series of meetings, which allowed associations the opportunity to voice their concerns and make suggestions in regard to their schemes.

During 2010–11, the OPSC continued to work closely with associations in developing their applications for schemes, with a view to reducing the administrative burden of application. To this end, the OPSC is investigating options for an online application process.

ISSUES AND CHALLENGES

Regulatory change following the global financial crisis

The Professional Standards Councils considered possible impacts of a new national financial services regulatory regime to be introduced under the Australian Securities and Investments Commission (ASIC) from 1 July 2011. This new regime is intended to protect consumers of financial services following company failure during the global financial crisis. Within the context of consumer protection, professional standards legislation in all jurisdictions makes direct reference to consumer protection through the review and recommendation to the relevant Ministers of professional associations' rigorous risk management practices.

Changes to the regulatory regime for tax practitioners led to communication between the Councils and the Tax Practitioners Board (TPB). The TPB was established in an environment where the majority of tax agents did not have professional indemnity insurance. The TPB subsequently determined that its policy on the required Professional Indemnity Insurance (PII) cover for tax practitioners should not conflict with the insurance standards approved for professionals under *Cover of Excellence*[®] schemes.

Thought leadership – National Legal Profession Reform and professional indemnity insurance

The Professional Standards Councils have considered and provided input on the National Legal Profession Reform project initiated and undertaken by the Council of Australian Governments (COAG) in view of the Councils' experience with the Bar Associations, Law Societies and professional indemnity insurance.

Professional Standards Inter-Departmental Service Agreement

The federated structure of the Professional Standards Councils continued to present its own unique requirements, with a Sydney-based Secretariat co-operating with State and Territory Attorney General's and Justice Departments, under a "Professional Standards Councils Inter-Departmental Service Agreement 2010". This agreement identifies the process for preparation of financial information for annual reporting. Preparation of a consolidated annual report covering all jurisdictions proved particularly challenging due to different time frames imposed by statute for tabling of annual reports in each State and Territory Parliament.

State-based audits of Council finances are undertaken during this annual reporting process to ensure probity under the differing sets of laws and Governmental policies. Additionally, under the Inter-Departmental Agreement, an independent auditor performs a review of the Councils' consolidated financial records.

THE PROFESSIONAL STANDARDS COUNCILS



Back (L to R): Ron Farrell, Hugh Plaistowe, Terry Evans, Tom Karp, Madeleine Ogilvie, Julie Cameron, Iain Summers, Robert Beaton, Middle (L to R): Jo Metcalfe, Esther Alter, Front (L to R): Philippa Seagrave (Executive Officer), Brian Rayment

OUR VISION

To be recognised as thought leaders in and influencers of professional standards and consumer protection, with demonstrable competence in setting liability caps. As confidence grows in the positive impact of the legislation, we will be respected and trusted by all our stakeholders as we strive to broaden our relationships with current scheme-holders, and new occupational associations.

OUR MISSION

The Professional Standards Councils' mission is to promote consumer protection and excellence in professional standards by encouraging the self-regulation of occupational groups through the *Cover of Excellence*[®] schemes.

Cover of Excellence[®] schemes are for members of occupational associations, and:

1. Recognise those who implement robust risk management strategies such as complaints and discipline systems, codes of ethics and continuing occupational education;
2. Limit occupational liability for members of occupational associations who carry professional indemnity insurance and/or business assets to the limitation of liability amount; and
3. Entitle members of the occupational association to enjoy the reputation of the *Cover of Excellence*[®] trademark.

ROLE OF THE PROFESSIONAL STANDARDS COUNCILS

Formation of the Councils

The 1980s culminated in the market crash of 1987 which caused a hardening of the Australian insurance market in the early 1990s. Reacting to the worsening situation, the New South Wales Government drafted ground breaking legislation, the *Professional Standards Act 1994*, with the goal of balancing consumer protection by raising professional standards and limiting liability. This legislation was introduced with bipartisan government support and was the first of its type in the world.

The Professional Standards Council of NSW was established in 1995 under section 39 of the *Professional Standards Act 1994* (NSW). The first *Cover of Excellence*® schemes were approved by the Professional Standards Council of NSW in 1996. Professional Standards Councils were then constituted in other jurisdictions over a period of ten years.

In 2001, the collapse of Australian corporate giant HIH Insurance showed that issues of corporate governance and liability were still high profile and active in the national economy, giving further impetus to the gradual extension of the professional standards legislation regime.

The Commonwealth Government subsequently co-operated with complementary legislation, allowing occupational liability to be limited under the *Trade Practices Act 1974*, *Corporations Act 2001* and the *Australian Securities and Investment Commission Act 2001*.

The recent global financial crisis of 2008, which is still reverberating around the global economy and impacting Australia, has resulted in a challenging market.



It is significant to note that, in Australia, the enactment of professional standards legislation and the application of schemes approved under this legislation has meant greater protection for consumers of some professional services in Australia than would otherwise have been the case.

Role of the Councils

The Councils play a key role in promoting the objectives of the professional standards legislation, including:

1. To enable the creation of schemes to limit the civil liability of professionals and others, and
2. To facilitate the improvement of occupational standards of professionals and others, and
3. To protect the consumers of the services provided by professionals and others.

(Source: *Professional Standards Act 1994* NSW)

Approval of schemes for occupational associations

An occupational association may submit an application to the Professional Standards Councils for consideration of a *Cover of Excellence*[®] scheme for the benefit of its members, and consumers of their professional services. The application for a *Cover of Excellence*[®] scheme would indicate the relevant jurisdictions in which the scheme is intended to operate – which may include all eight States and Territories. The Professional Standards Councils must review a scheme proposal in accordance with the legislation before it can be recommended to the relevant State or Territory Minister for gazettal.

Among other things, the Council will consider all comments and submissions made to the Council regarding the Scheme, the position of persons who may be affected, the nature and level of claims relating to occupational liability made against members of the association, the risk management strategies of the association, the means by which the risk management strategies are intended to be implemented, the cost and availability of insurance and the standards determined by the association concerned in relation to insurance policies.

Prior to recommendation to the relevant Minister, the draft scheme will be publicly notified. This allows members of the public, consumer groups, members of the association or any other interested parties to provide comments on the proposed scheme to the Councils for their consideration.

Once gazetted or notified, the scheme will limit the occupational liability of members of that association, in the relevant State or Territory.

Improvement of occupational standards of professionals

Apart from assessing and approving *Cover of Excellence*[®] schemes, the Councils are also responsible for monitoring the operation of schemes – including associations' implementation of risk management plans. Risk management reports make up a significant part of associations' statutory annual compliance reporting. Amongst other things, associations' annual risk management and compliance reports must include:

- the implementation and monitoring of their risk management strategies,
- the effect of those strategies and
- any changes made or proposed to be made to them.

Since the introduction of the professional standards legislation, associations through working with the Councils have improved the rigour of their risk management plans.

In 2010–11 the Councils were pleased to note the breadth of strategies being implemented by some associations. More detail on the risk management strategies of some individual associations may be found in the following sections on national associations and on State-based schemes.

Protection of consumers of professional services

During 2010–11 the Professional Standards Councils re-introduced the Star Initiative Grants Program, to provide grants to individual members of occupational associations with *Cover of Excellence*[®] schemes. Operating on an annual cycle, the grants for 2011 were announced following a decision of the Star Initiative Grants Committee at its May 2011 meeting.

In addition to the grants program, the Councils' research project, which commenced in early 2010, will continue to investigate the effects of professional standards legislation on raising and maintaining professional standards, and improving consumer outcomes.

OPERATIONS OF THE PROFESSIONAL STANDARDS COUNCILS

All States and Territories have agreed to appoint the same members to each Council.

The “Professional Standards Agreement 2005” allows each State and Territory (other than NSW and Victoria) and the Commonwealth to nominate one member. NSW and Victoria are entitled to nominate two members each to the Councils, making a total of 11 members.



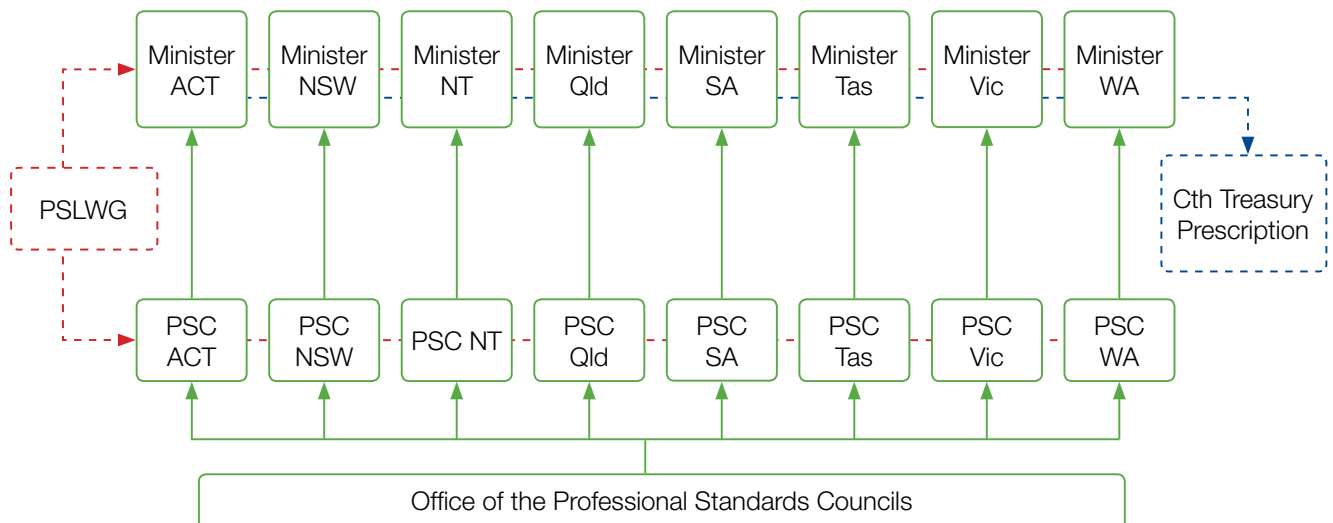
ORGANISATIONAL STRUCTURE

The structure and reporting lines of the Professional Standards Councils Australia-wide are represented in Figure 1. This shows the Office of the Professional Standards Councils receiving *Cover of Excellence*® Scheme applications on behalf of the Councils and providing secretariat support to each of the eight Councils. Once a Council makes a decision to recommend or amend a Scheme, the relevant Minister is informed. With the authorisation of the Minister, an approved Scheme is then published in the Government

Gazette, or notified in the Legislation Register in the ACT.

If an association seeks Commonwealth prescription of its Scheme, under the *Competition and Consumer Act 2010* (Cth) (formerly the *Trade Practices Act 1974* (Cth)), *Corporations Act 2001* (Cth) or the *Australian Securities and Investments Commission Act 2001* (Cth), then a Council will co-operate with the Commonwealth Treasury during the

Figure 1: Organisational Structure and Reporting Lines on National Level



application assessment stage, so that any such decision made by the Councils would be consistent with Commonwealth's policy in regard to prescription of such schemes at Commonwealth level.

Each Council consists of one Chairperson, one Deputy Chairperson and a number of Councillors. Each of the eight Councils has a Finance, Audit and Risk Management Committee (FARMC) containing Council members. Other work of the Councils is delegated to the Star Initiative Grants (SIG) Committee, an Operations Committee (concerned with personnel and resourcing issues), and a Legal Issues Advisory Group (LIAG).

The Professional Standards Legislation Working Group (PSLWG) is comprised of policy officers from each of the State and Territory departments of Justice/Attorney General where a Professional Standards Council is constituted. The PSLWG communicates to each of the Councils and to the relevant State and Territory Ministers about professional standards legislation reform, review and Scheme issues.

CORPORATE GOVERNANCE

The Professional Standards Councils members are appointed for a term not exceeding three years, and are eligible for reappointment at the expiration of their term.

At the commencement of each Council meeting, and meetings of associated committees, Councillors must declare any conflict of interest to ensure transparency and probity in relation to each decision of the Councils.

The Councils have implemented an Internal Risk Management Plan, based on the Risk Management Standard AS/NZS ISO 31000:2009. The plan is updated annually and is reviewed at Council meetings to ensure that any change to the risk landscape is taken into account.

Terms of Office and Remuneration

As identified above, Council members are appointed for a term of up to three years, and are eligible for reappointment at the expiration of their term. Within the current reporting period 2010–11, Ms Julie Cameron was

nominated as the Queensland representative and filled the vacancy of Queensland Councillor for the Professional Standards Councils. Mr Tom Karp was nominated as the Commonwealth representative for the Councils. The role of Deputy Chairperson of the Professional Standards Councils is currently being undertaken by Ms Esther Alter. An allowance/sitting fee for Council members is paid for attendance at Council, advisory group and committee meetings. The fee is based on the NSW Department of Premier and Cabinet *Guidelines for NSW Board and Committee Members*. The remuneration of Council members consists of the following:

Table 1: Remuneration of Council Members

	Meetings up to 4 hrs	Each hour thereafter
Chairperson	\$593.00	\$125.00
Council Member	\$361.00	\$75.00

The Chairman is also paid a retainer of \$2,575.00 per annum for out-of-session work and Council-related activities.

The average sitting time of Council meetings during the period was approximately four hours.

Table 2 below shows the attendance of Council members at Council meetings during the reporting period.

Table 2: Attendance at meetings by Council Members

Name of Council member	Number of meetings attended
Brian Rayment	5
Esther Alter	4
Robert Beaton	5
Julie Cameron *	5
Terry Evans	6
Ronald Farrell	6
Tom Karp *	5
Joanne Metcalfe	6
Madeleine Ogilvie	6
Hugh Plaistowe	6
Iain Summers	6

*NOTE: These Councillors were not appointed for the whole year.

COMMITTEES OF THE PROFESSIONAL STANDARDS COUNCILS

The internal structure of each of the eight Professional Standards Councils is represented in Figure 2. Each of the Councils has a Chairperson, Deputy Chairperson and Councillors (see 'Members of the Professional Standards Councils' for more information about these officers).

The Councils can establish committees and advisory groups to meet as required over the year.

Each of the eight Councils has a Finance, Audit and Risk Management Committee (FARMC) constituted of Council members. The FARMCs are answerable to each of the Councils.

In addition, there are also two committees and one advisory group constituted by Council members:

- Star Initiative Grants Committee (SIGC)
- Operations Committee and
- Legal Issues Advisory Group (LIAG).

Each of these committees and advisory group make recommendations to all eight Professional Standards Councils.

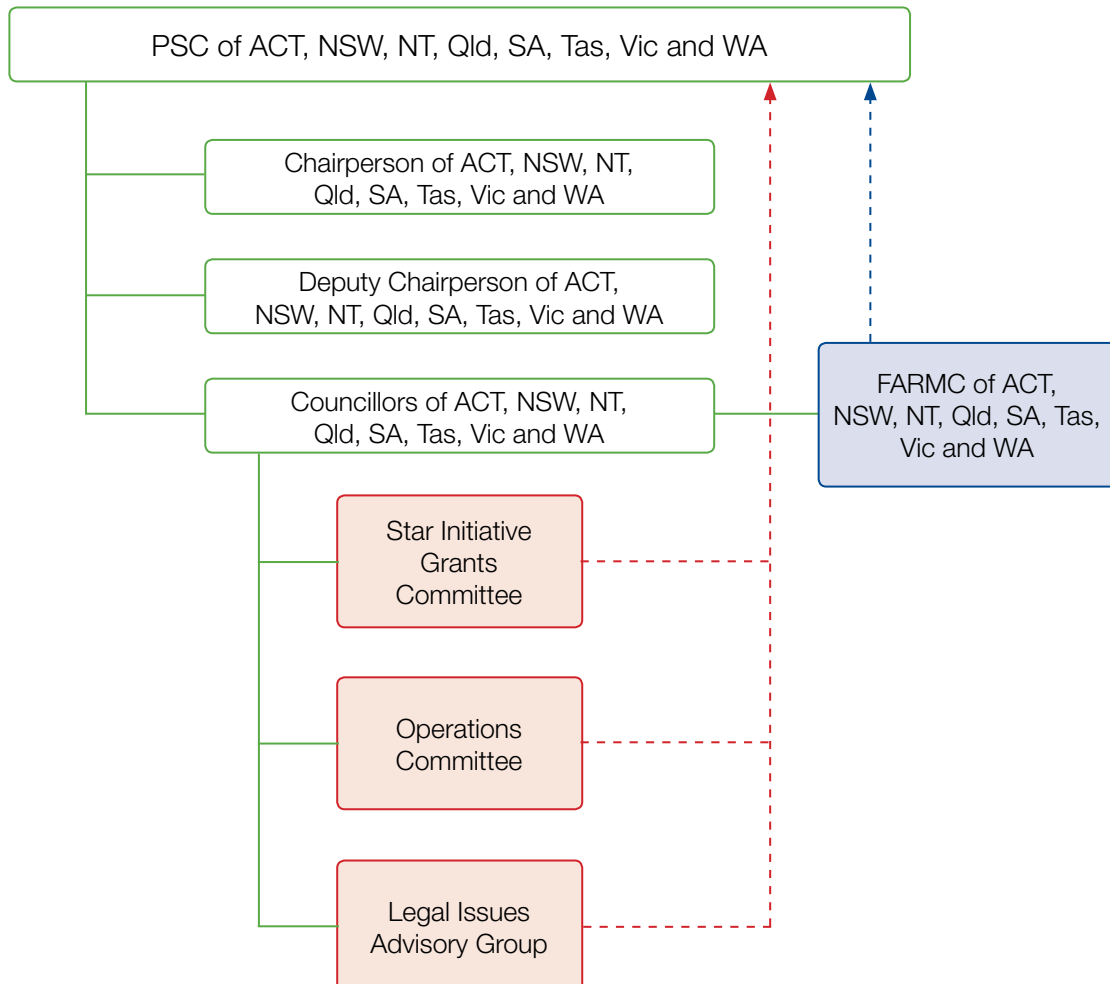
During 2010–11, members of the Councils served on these bodies, as follows.

Star Initiative Grants Committee – oversees the Star Initiative Grants Program

- Madeleine Ogilvie (Chairperson)
- Joanne Metcalfe
- Hugh Plaistowe

The Executive Officer is secretary of the Committee.

Figure 2: Internal Organisational Structure of the Professional Standards Councils



Legal Issues Advisory Group – provides input to legal inquiries and issues

- Brian Rayment (Chairperson)
- Esther Alter
- Julie Cameron
- Terry Evans
- Madeleine Ogilvie

The Executive Officer is secretary of the Group.

Operations Committee – advises Councils on strategic direction of resourcing and prioritisation of the Councils' business plan

- Terry Evans (Chairperson)
- Joanne Metcalfe

The Executive Officer is secretary of the Committee.

Finance Audit and Risk Management Committee – discusses operations and risk management issues, specifically financial position, budget management, risk management strategies, internal controls, and business plans

- Iain Summers (Chairperson)
- Esther Alter
- Ronald Farrell
- Joanne Metcalfe

The Executive Officer is secretary of the Committee.

INTER-GOVERNMENTAL AGREEMENT AND SECRETARIAT

The "Professional Standards Agreement 2005", which was executed by the Standing Committee of Attorneys General, allows common membership of all State and Territory Professional Standards Councils. This agreement also stipulates the provision of common Secretariat support for all the Councils to be provided by the New South Wales Department of Attorney General and Justice.

This arrangement received continued support during 2010–11, most notably in the Department of Justice Victoria report into operations of the *Professional Standards Act* in Victoria, released in late 2010.

On 1 July 2010, operation commenced of two new service agreements: a new "Professional Standards Councils and Departmental Procurement of Services Agreement 2010", and the "Professional Standards Councils Inter-Departmental Service Agreement 2010". These agreements formalise co-operation between all States and Territories, ensuring that expenditure of the Office of the Professional Standards Councils (OPSC) and by the Councils themselves is allocated between jurisdictions in an equitable manner.

FINANCIAL PERFORMANCE OF THE COUNCILS

The Professional Standards Councils are funded by a small annual fee paid by each participating member of an association administering a *Cover of Excellence*® scheme.

Revenue received by each Council and its proportion of the expenditure are reported for each Council and are validated by the NSW Audit Office each year as part of the annual reporting process.

Some jurisdictions require a separate financial audit, namely Queensland, Victoria, South Australia and Western Australia. The audited financial statements are produced as four separate addenda to this 2010–11 Annual Report of the Professional Standards Councils and are published according to the statutory requirements in each jurisdiction.

MEMBERS OF THE PROFESSIONAL STANDARDS COUNCILS

The Attorneys General of each State and Territory of Australia appoint members to the Professional Standards Councils under the relevant legislation in each jurisdiction.

Council members are selected for their skills, qualifications, experience and ability to contribute to the work of the Councils. The current Council represents the increasing diversity of the occupational associations with *Cover of Excellence*® schemes, with members having qualifications and experience in law, dispute resolution, accounting, insurance, audit, architecture, property management, and company directorship.

Councillors bring an enormous amount of experience to their role, working together very effectively as a team. The majority of Council members have served at least one or more terms.

The Chairperson and Deputy Chairperson of the Councils are nominated on an alternating basis by NSW and Victoria, under the "Professional Standards Agreement 2005".



Brian Rayment QC



Esther Alter

Brian Rayment **QC Chairman | BA, LLB**

Brian Rayment was admitted to the NSW Bar in 1970 and practises throughout Australia, specialising in insurance, transport law and general commercial law. From 1972 to 1974 he lectured in law (part time) at the University of Sydney. Brian has also served as a member and Honorary Treasurer of the NSW Bar Council, Chairman of the Legal Aid Commission of NSW and a Member of the NSW Legal Services Tribunal.

Esther Alter **Deputy Chairperson | BEc, LLB, MBA, MAICD**

Esther Alter brings a wide range of experience in consumer law and dispute resolution to the Councils. As a Member of the Victorian Civil and Administrative Tribunal (VCAT), she was involved in conciliating and adjudicating on consumer law matters. Esther has worked in a range of consumer, legal and management roles in the Victorian and Commonwealth governments. Her professional interests are in the areas of governance, management, service evaluation and organisational development. Esther is a Board Member of the Chiropractor Registration Board of Victoria and a Board Member of the Pharmacy Board of Victoria.



Robert Beaton



Julie Cameron



Terry Evans



Ronald Farrell

Robert Beaton
LLB, BArch (Hons), BSc (Arch), RAlA,
ANZIIF (Senior Associate)

Robert Beaton has had in excess of 34 years experience in all facets of professional risks insurance and until June 2010, he was the National Product & Underwriting Manager Professional Risks Insurance at CGU Insurance. Robert is currently a consultant on issues relating to professional risk insurance. He was Chairman of the Professional Indemnity Standing Committee of Insurance Council of Australia between 2003-2010 and a member of the APRA National Claims & Policies Database Steering Group Committee when it was created.

Julie Cameron
BCom, LLB (Hons), LLM

Julie Cameron is a partner of Corrs Chambers Westgarth in Brisbane and practises predominantly in the areas of insurance and personal injuries, medical malpractice, public liability and CTP claims. Julie also advises and represents clients in investigations by the Health Quality and Complaints Commission and professional registration boards. An accredited personal injuries specialist of the Queensland Law Society since 2002, Julie is a member of the committee responsible for assessing applicants for personal injuries specialist accreditation. Julie holds membership of the Australian Insurance Law Association and the Medico-Legal Society of Queensland.

Terry Evans
LLM

Terry Evans is engaged as Special Counsel with Minter Ellison Adelaide. Prior to that he was the Deputy Chief Executive of the South Australian Justice Department and Attorney General's Department (2004 – March 2006). He was the Chief Commercial Counsel for the Crown Solicitor's Office from 1996–2004. Before that Terry was a partner with Minter Ellison. Terry holds a number of Board positions in the corporate, government, education and not-for-profit sectors.

Ronald Farrell

Ronald Farrell is a member of the Professional Standards Councils. He is currently a member of the Committee of Management of MAV Insurance, which includes Civic Mutual Plus, and is appointed as a Responsible Officer.

In 2008 he retired after 14 years as a foundation non executive director of the Victorian Managed Insurance Authority.

Prior Board appointments include Metropolitan Fire and Emergency Services Board, Gro it Pty Ltd manufacturing company, Utilities Insurance Company Ltd, and connect.com.au Pty Ltd Internet provider. This followed a successful career in the insurance industry as General Manager of Australian Eagle Insurance Company Ltd and as an Executive Director of certain subsidiaries.

Memberships include the Australian and New Zealand Institute of Insurance and Finance, as well as a not-for-profit advisory body.



Tom Karp



Joanne Metcalfe



Madeleine Ogilvie

Tom Karp **BA Hons (Actuarial Studies)**

Tom Karp is a Fellow of the Institute of Actuaries of Australia, and has been a member of the Professional Standards Committee of the Institute of Actuaries of Australia since 2008. He held the position of the Executive General Manager at the Australian Prudential Regulation Authority until his retirement in June 2008. Tom is also a Board member of the Australian Reinsurance Pool Corporation, and represents the Institute of Actuaries of Australia at the International Actuarial Association.

Joanne Metcalfe **BLArch (Hons), MBA**

Joanne Metcalfe has served on the Professional Standards Councils since 2005 and was recently appointed to the Councils' Finance and Risk Management Committee and Star Initiative Grants Committee. She works for professional services company GHD in Canberra as a Business Group Manager operating across the Australian Capital Territory and southern New South Wales. Jo has been an active member of the property industry for the past 15 years, a Division Councillor for the Property Council of Australia since 2004 and has held positions of Vice-President, member of the Executive Committee and Chair of the Planning Committee. She is currently the Chair of the Property Council's Economic Development and Infrastructure Committee. Jo has formerly worked in landscape architecture and communications, as State Manager, Australian Institute of Architects ACT, and in professional service management as Managing Principal of peckvonhartel Architects.

Madeleine Ogilvie **BA, LLB, Grad Certificate of Business (AGSM), MAICD**

Madeleine Ogilvie is a Tasmanian-based barrister and solicitor. Madeleine has a wide range of professional experience in Australia and internationally, including the provision of legal and strategic management advice to key private and public sector organisations. She has held senior roles in business, general management and the legal profession. Madeleine has particular expertise in infrastructure and major commercial contracts. Her key areas of professional interest are in the fields of telecommunications, the arts, and intellectual property commercialisation. Madeleine is a member of the Tasmanian Integrity Board, Mt Carmel College Board, Calvary Hospital community committee, the Board of Kickstart Arts Inc and is Deputy Chair of the Tasmanian Council of Professional Bodies.



Hugh Plaistowe

Hugh Plaistowe
Fellow, CPA Australia; Associate,
Institute of Chartered Accountants;
Fellow, Taxation Institute of Australia

As a registered tax agent and a registered company auditor, Hugh Plaistowe has been a partner of Owen & Plaistowe, Certified Practising Accountants, since 1971. Hugh's significant involvement in the accounting profession includes past chairmanships of the various committees of CPA Australia (the National Professional Standards Committee, the WA Disciplinary Committee and the Joint National Disciplinary & Investigations Committee), past State President of CPA Australia and past member of the National Council of CPA Australia and Joint Professional Standards National Taskforce of CPA Australia. Hugh was first appointed to serve as a member of the Professional Standards Council in 1998. Hugh has also served as a member of the Local Government Accountants Advisory Committee reporting to the Minister for Local Government WA. Hugh is also a member of the Board of Trustees of the Fremantle Sailing Club and Chairman of the Audit and Risk Management Committee of the Bright Water Group. In the past, Hugh served as Commodore of the Fremantle Sailing Club. Hugh is also a past Deputy Chairman of the Presbyterian Ladies College. Hugh's appointment as a nominee of the Attorney General of Western Australia to the Professional Standards Councils will continue the Councils' focus on assisting associations to improve professional standards and ethics of members.



Iain Summers

Iain Summers
BCom, LLB (Hons), Grad Dip
Management Psychology, FCA FCPA
FAICD FAIM

Iain Summers provides governance and management advice, assistance and training to community services and public sector entities, and business advice to small to medium sized commercial enterprises. From 1995 to 2002 he was the Northern Territory Auditor-General. He is a company director of commercial and community sector entities, and Chair of a number of audit committees for private and public sector entities.

COVER OF EXCELLENCE® SCHEMES

How do Cover of Excellence® schemes work?

The Professional Standards Councils are responsible for recommending and monitoring associations' *Cover of Excellence*® schemes, under the professional standards legislation in each State and Territory.

Cover of Excellence® schemes limit the civil liability of members of the association who hold a current professional indemnity insurance policy, and/or who hold business assets to the level of the limitation of liability.

Associations with a *Cover of Excellence*® scheme must also meet a range of criteria specified in the professional standards legislation, including implementing and monitoring codes of ethics and conduct, and ensuring there is a complaints and disciplinary mechanism covering members in case of complaints by consumers.

Each association covered by a scheme has a standard for the professional indemnity insurance cover which members must hold.

Finally, each association must develop a rigorous five-year risk management plan and submit to the Councils an annual report against this plan, as part of their broader statutory compliance obligations.

What are the steps for an association to apply for a Cover of Excellence® scheme?

Before the Professional Standards Councils will recommend a *Cover of Excellence*® scheme to the relevant Minister(s) for authorisation, the Councils must consider:

- The position of consumers who may be affected if the occupational liability of



association members is limited (also called 'capped'),

- The nature and level of insurance claims made by consumers against members of the association which has applied for a *Cover of Excellence*® scheme,
- The association's standards of professional indemnity insurance,
- The cost and availability of that insurance,
- The association's risk management strategies and how those strategies are intended to be implemented, and,
- Public comments and submissions made in response to the public notification of a proposed *Cover of Excellence*® scheme.

The balance between limited liability and consumer protection

The Councils are responsible for determining the limitation of liability for each profession under *Cover of Excellence*® schemes.

To do so, the Councils consider the nature of the work being done by members of the association, the risks inherent in such work, and the positions of persons likely to be

affected by a cap on liability. The Councils consider the ten-year retrospective history of claims made against members of the association, together with the prospective risk management plans of the association. The Councils also obtain independent actuarial advice as to the likelihood of future claims exceeding the proposed cap. The intention is to find a cap on liability that provides an appropriate level of consumer protection, relative to the risks associated with the service being provided.

Implementation of associations' risk management plans

Associations applying for a *Cover of Excellence*® scheme must demonstrate that they have the organisational capacity to implement risk management strategies, and also to administer the association's *Cover of Excellence*® scheme for the benefit of consumer protection.

Once a scheme is approved, associations must report against their risk management plans annually to Councils, for the duration of the scheme, consistent with ongoing statutory compliance requirements. These reports provide information about the mechanisms used by the associations to improve the professional standards of individual practitioners including the monitoring of compliance by members, through methods such as member surveys and audits.

How do *Cover of Excellence*® schemes help protect consumers?

The work of the Councils helps protect consumers by assisting and encouraging occupational associations to improve and promote professional standards. Additionally, members of associations who participate in *Cover of Excellence*® schemes must hold sufficient professional indemnity insurance (and/or other assets) to meet any civil claims at the level of their limit of liability under the scheme. Therefore, consumers have recourse to reasonable compensation for economic loss in the event of a claim.

Members of an association can use the *Cover of Excellence*® trademark once the association's scheme has been approved by the Councils and gazetted in the relevant State or Territory.

Each *Cover of Excellence*® scheme has a maximum duration of five years. If the association wishes its members to continue to be covered by a *Cover of Excellence*® scheme, a new application must be submitted. The five-year limit allows associations, when applying for a new scheme, to review the most current economic landscape, to understand any environmental shift within which professionals are now working, and to use the latest developments in risk management plans for professional services.

What does mutual recognition of schemes mean?

Because members of professional associations may work across State and Territory borders, the Professional Standards Councils support amendments to professional standards legislation, allowing *Cover of Excellence*® schemes to have force across multiple jurisdictions.

These mutual recognition provisions are now in place in the legislation in New South Wales, the Northern Territory, Australian Capital Territory, Queensland, Victoria, South Australia and Western Australia.

How does the Commonwealth Government prescribe *Cover of Excellence*® schemes?

The Commonwealth Government can limit the liability of members of occupational associations with *Cover of Excellence*® schemes, under the *Treasury Legislation Amendment (Professional Standards) Act 2004* (Cth).

The Commonwealth can prescribe a *Cover of Excellence*® scheme under the *Competition and Consumer Act 2010* (formerly the *Trade Practices Act 1974*), the *Corporations Act 2001*, and the *Australian Securities and Investments Commission Act 2001*.

Through the *Competition and Consumer Amendment Regulations 2011* (No 1), sub-regulations in the *Competition and Consumer Regulations 2010* which specified expiry dates of prescription of Schemes, were omitted. The Amendment Regulations commenced on 12 June 2011.

Table 3: Cover of Excellence® schemes in operation in each State and Territory 2010–11

Scheme operative in this State/Territory
 Mutual recognition of scheme in this State/Territory – pending gazettal
 Scheme prescribed by the Commonwealth
 Mutual recognition of scheme in this State/Territory

Scheme	ACT	NSW	NT	Qld	SA	Tas	Vic	WA
Accountants								
ICAA								
CPA Australia								
IPA (NIA)								
Barristers								
NSW Bar Assoc								
Vic Bar Inc								
Solicitors								
NSW Law Society								
Law Institute of Victoria								
Queensland Law Society								
Engineers								
Engineers Australia								
CIRCEA								
IT Professionals								
ACS								
Surveyors								
PSOA								
Valuers								
AVI								
APIV								

Table 4 shows the number of members of associations to whom a Scheme applied in all jurisdictions for the 2010–11 financial year as at 30 June 2011.

Table 4: *Cover of Excellence*® Scheme Participation by Jurisdiction

Association	ACT	NSW	NT	Qld	SA	Tas	Vic	WA
ACS (Australian Computer Society)	n/a	6	n/a	n/a	n/a	n/a	n/a	n/a
APIV (Australian Property Institute Valuers Ltd)	n/a	480	n/a	n/a	n/a	n/a	n/a	n/a
AVI (Australian Valuers Institute)	n/a	17	n/a	n/a	n/a	n/a	n/a	n/a
CIRCEA (College of Investigative and Remedial Engineers of Australia)	n/a	26	n/a	n/a	n/a	n/a	n/a	n/a
CPA Australia (Certified Practising Accountants Australia)	85	1,554	27	1,146	250	n/a	2,125	750
EA (Engineers Australia)	0	1	0	1	0	0	2	1
ICAA (Institute of Chartered Accountants in Australia)	547	9,441	123	3,592	1,591	n/a	6,064	2,273
LIV (Law Institute of Victoria)	n/a	n/a	n/a	n/a	n/a	n/a	2,933	n/a
LSNSW (Law Society of NSW)	n/a	7,247	n/a	n/a	n/a	n/a	n/a	n/a
NIA (National Institute of Accountants)	n/a	1,161	n/a	n/a	n/a	n/a	n/a	n/a
NSW Bar (NSW Bar Association)	n/a	2,045	n/a	n/a	n/a	n/a	n/a	n/a
PSOA (Professional Surveyors Occupational Association)	n/a	38	n/a	n/a	n/a	n/a	n/a	n/a
QLS (Queensland Law Society)	n/a	n/a	n/a	4,737	n/a	n/a	n/a	n/a
Vic Bar (The Victorian Bar)	n/a	n/a	n/a	n/a	n/a	n/a	656	n/a

COMPLIANCE REPORTING ON RISK MANAGEMENT

Associations which have *Cover of Excellence*[®] schemes submit annual reports to the Professional Standards Councils, in order to comply with the professional standards legislation in each State and Territory. The role of scrutinising how associations are implementing and monitoring risk management of strategies is fundamental to the role of the Councils in all jurisdictions.

These compliance reports are derived from the five-year risk management plan which is submitted as part of an association's original application for a *Cover of Excellence*[®] scheme.

These risk management plans set out how the associations' members will improve the quality of services they provide to consumers through improved risk management practices. Compliance reports based on risk management plans include an account of developments in professional indemnity insurance specific to that occupational group.

Compliance reports typically examine initiatives and trends in the associations' work in areas such as:

- Continuing professional development
- Codes of conduct and ethics, and professional obligations
- Quality control program
- Technical standards and competence
- Complaints and disciplinary system
- Claims data and insurance monitoring
- Compliance with professional indemnity insurance requirements.

While associations may provide comprehensive information on a wide range of potential areas risk, the annual compliance reports submitted to the Councils focus on insurance claims and monitoring, complaints and discipline, continuing occupational education, and compliance with disclosure of limited liability, as well as use of the Councils' *Cover of Excellence*[®] trademark.

Reporting on an annual basis encourages the association to work throughout the year to set the standards for constant and timely improvement to members' practices.

Anecdotal evidence from associations is that the increasingly rigorous and systematic risk management programs reported to the Professional Standards Councils are providing assistance toward reducing the expense of litigation in the professional services sector, as well as improving consumer protection.

COMPLIANCE REPORTING – NATIONAL ASSOCIATIONS

CPA Australia Compliance Report 2010

CPA Australia reported an increase in members' awareness of their obligations within the regulatory framework. There was more focus on members' proactive preparation for – rather than reactive remediation as a result of – the risk management program within the review cycle.

The Association supported members to identify and manage their practice's risks pursuant to CPA Australia's Risk Management Statement.

CPA Australia advised that education learning outcomes of the Quality Review process improved, and there was a lower number of breaches in relation to risk management.

Claims number and severity for the Association's members increased during 2010 as a direct result of the economic downturn, and this increase was in line with expectations. Notifications from members that a claim might occur also increased.

The Association reported that eight new underwriters entered the market in 2010 and the increasing competition resulted in reduced premiums. Overall there were around 35 underwriters willing to provide professional indemnity insurance for accountants.

Around 70 per cent of all professional indemnity insurance policies for accountants who were members of CPA Australia continued to be written by overseas markets, notably by Lloyds of London.

CPA Australia members were required to identify and manage their practices' risks pursuant to the Association's Risk Management Statement. Members'

compliance with quality control measures to manage these risks was improved by strengthened professional development standards, which were overseen by the International Federation of Accountants.

The Association reported that its risk management program in 2010 featured an increased focus on members proactively preparing for review of their quality control measures. The Association increased the number of accredited reviewers and achieved a record number of reviews of members' practices during the year.

Trends in quality control were reported to CPA Australia's Quality Review Advisory Committee, along with statistics on breaches. Breaches of standards were reviewed and those referred to the Professional Conduct area were investigated.

To assist members improve standards and correct breaches, members were supported through training and online tools to identify and implement improved risk management strategies.

The Institute of Chartered Accountants in Australia Compliance Report 2010

The Institute of Chartered Accountants in Australia (ICAA) reported that it has developed a strong risk management framework which identifies and addresses risks within the consumer protection context. This framework is based on the Standard AS/NZS ISO 31000:2009. It improves the culture through defined and communicated policies and values, assigned risk responsibilities, appropriately delegated authorities and review procedures.

Initiatives by the ICAA highlighted in its 2010 annual risk management report to the Professional Standards Councils are:

- Participation in global strategies to address risks exposed by the global financial crisis,
- Extensive cross-divisional review of risks associated with Certificates of Public Practice and associated administrative processes,
- Extension of the Institute's annual scheme compliance program.

Global strategies included assessing reforms being considered internationally by financial regulators and standards setters following the global financial crisis. The Institute reported that this will ensure Australia moves with best practice, and during 2010 it published several reports and guides for members regarding audit quality, business reporting, the Institute's Quality Review program, and future directions for Australian leaders.

An extensive risk management review by the ICAA regarding consumer protection found that the work of members in practice complied with professional standards and regulatory requirements through appropriate quality control policies and procedures.

This is assessed either every three years or five years through the Quality Review of those practices which conduct an audit by a registered company auditor – with the exception of sole practitioners subject to a self-assessment review.

The Institute reported that the Treasury discussion paper, "Audit Quality in Australia: A Strategic Review" stated that the quality review program of the ICAA helped promote audit quality and ethical conduct within the audit profession as an important component of the co-regulatory framework in Australia.

The Institute's national annual Scheme Compliance Survey found that members could demonstrate a significant level of compliance with the requirements of the ICAA's limitation of liability schemes. The Institute reported this was a steady improvement in compliance over the three-year period up to 31 December 2010.

While the ICAA believes this reflects the benefit of continuing professional education along with comprehensive professional indemnity information for members, another factor is a continuing favourable market for professional indemnity insurance.

Members of the ICAA continued to report a soft market for professional indemnity insurance during 2010–11, continuing the trend of 2008 and 2009. This ran contrary to previous industry advice that the Australian market for professional indemnity insurance would probably harden as a result of the global financial crisis.

The ICAA reported that it has not detected any trend for an increased number of claims on accountants' professional indemnity insurance policies.

One highlight is that members are able to access adequate professional indemnity cover at affordable rates, in spite of the recent difficult economic environment.

Additionally, the ICAA found that a higher number of claims settled during 2010 rather than proceeding to litigation. Members advised that scheme thresholds may have played a role in negotiations leading to these settlements.

Engineers Australia Compliance Report 2010

Engineers Australia has developed a national risk management plan which applies across Australia, and its annual report to the Councils covers all the Australian States and Territories.

The Association reported to the Professional Standards Councils that its risk management strategies for 2010 were:

1. Professional Standing
2. Code of Ethics
3. Continuing Professional Development
4. Quality Control Standards
5. Technical Standards
6. Advisory and Support Services
7. Complaints and Discipline
8. Compliance Program
9. Insurance Costs

Engineers Australia reported an extensive program of continuing professional development (CPD) across Australia delivered through a range of fora and online.

In 2010, its new 'Eminent Speaker' series and national CPD seminars attracted some 4,000 member registrants. 'Leadership and Management' was the theme focus of professional development in '2010 Year of Engineering Leadership'.

Engineers Australia groups hosted and co-hosted 18 national and international conferences during 2009–10, attracting some 4,500 delegates.

In addition, the Association reported over 29,000 technical papers and 41,000 published papers were available online to members. Additionally eleven volumes of technical papers were published during the year.

Separate information on CPD delivery is maintained by Engineers Australia for each State and Territory. For more detail on CPD, see the later chapters on Schemes in each State and Territory.

Engineers Australia reported a 24 per cent increase in the number of awards for chartered membership and completed its annual cycle of CPD audits.

During 2010, Engineers Australia received six (6) complaints against individual members of the association. Additionally, Engineers Australia received seven (7) complaints against non members, and two (2) complaints against engineering firms which are not within the remit of Engineers Australia to deal with. The Association reported that it reprimanded one (1) member for misrepresentation of membership and initiated disciplinary action against two (2) members.

Engineers Australia advised that it contributes to the development of the insurance industry's understanding of the engineering profession by participating in the Liability Reform Steering Group.

The Association rewrote its web site material during the year to increase clarity on membership of the Scheme for members.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

AUSTRALIAN CAPITAL TERRITORY – SUMMARY DATA

The Professional Standards Council of the Australian Capital Territory (ACT) approves Schemes under the *Civil Law (Wrongs) Act 2002* (ACT).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® logo, and disclosure of limited liability.

In 2010–11 there were eight Schemes in operation in the ACT, covering eight occupational associations and six occupational groups.

Accountants

- CPA Australia (ACT)
- Institute of Chartered Accountants in Australia (ACT)

Barristers

- The NSW Bar Association – *operates under mutual recognition*
- The Victorian Bar Inc. – *operates under mutual recognition*

Computer professionals

- The Australian Computer Society – *operates under mutual recognition*

Table 5: *Cover of Excellence*® schemes in the Australian Capital Territory

Association	Scheme applies to:	Number of members participating in scheme in ACT	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (ACT)	All members of CPA Australia ordinarily resident in the Australian Capital Territory who hold a current Public Practice Certificate and who have not been exempted	85	\$1 million to \$75 million. Reasonable charge of services x 10	1 February 2008	31 January 2013
Institute of Chartered accountants in Australia (ACT)	All members of ICAA ordinarily resident in the Australian Capital Territory who hold a current Certificate of Public Practice and who have not been exempted	547	\$1 million to \$75 million. Reasonable charge of services x 10	1 February 2008	31 January 2013
ENGINEERS					
Engineers Australia (ACT)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	0	\$1.5 million to \$20 million	1 January 2009	31 December 2013

Engineers

- Engineers Australia (ACT)

Surveyors

- The Professional Surveyors Occupational Association – *operates under mutual recognition*

Valuers

- Australian Property Institute Valuers Ltd – *operates under mutual recognition*

The Australian Property Institute Valuers Ltd Scheme was notified in the ACT on 31 August 2010 to operate under mutual recognition on 1 September 2010, and was prescribed by the Commonwealth on 8 December 2010.

The NSW Bar Scheme was notified in the ACT on 28 June 2010 to operate under mutual recognition on 1 July 2010.

There were no applications for new schemes in the ACT in 2010/11.

AUSTRALIAN CAPITAL TERRITORY – COMPLIANCE REPORTS BY ASSOCIATIONS

ACCOUNTANTS

CPA Australia (ACT)

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all mainland Australian States and Territories. For more on the CPA Australia's national risk management and other compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

In 2010 there were nil (0) reported insurance claims against Australian Capital Territory members. There were nil (0) notifications from ACT members that a claim might be made.

Institute of Chartered Accountants in Australia (ACT)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all mainland Australian States and Territories. For more on the ICAA's national risk management and other compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

As part of its annual member survey, the ICAA sought information regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

There were nil (0) claims against Australian Capital Territory members of the ICAA in 2010.

ENGINEERS**Engineers Australia (ACT)**

The Engineers Australia compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on Engineers Australia's risk management and other compliance strategies, which are the same for each jurisdiction, see the section '*Cover of Excellence*[®] schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that 58 CPD events were held in Canberra, with attendance estimated at 1,535.

NEW SOUTH WALES – SUMMARY DATA

The Professional Standards Council of New South Wales (NSW) approves Schemes under the *Professional Standards Act 1994* (NSW).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*[®] trademark, and disclosure of limited liability.

In 2010–11 there were twelve Schemes in operation in NSW, covering twelve occupational associations and seven occupational groups.

Accountants

- CPA Australia (NSW)
- Institute of Chartered Accountants in Australia (NSW)
- Institute of Public Accountants (renamed from the National Institute of Accountants on 1 May 2011)

Barristers

- NSW Bar Association
- The Victorian Bar Incorporated – *operates under mutual recognition*

Computer professionals

- Australian Computer Society

Engineers

- Engineers Australia (NSW)
- College of Investigative and Remedial Consulting Engineers, Australia Inc.

Solicitors

- Law Society of NSW

Surveyors

- Professional Surveyors Occupational Association NSW Inc.

Valuers

- Australian Property Institute Valuers Ltd
- Australian Valuers Institute

There were two new scheme applications in progress in 2010–11.

A new scheme for the NSW Bar Association commenced during the reporting year, starting on 1 July 2010 and running for five years until 30 June 2015. The Scheme was prescribed by the Commonwealth on 14 December 2010.

The Australian Property Institute Valuers Ltd Scheme was approved on 23 July 2010 and gazetted in NSW on 27 August 2010, running until 30 October 2015. It was prescribed by the Commonwealth on 14 December 2010.

Table 6: Cover of Excellence® schemes in New South Wales

Association	Scheme applies to:	Number of members participating in scheme in NSW	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (NSW)	All members of CPA Australia ordinarily resident in NSW who hold a current Public Practice Certificate and who are not exempt	1,554	\$1 million to \$75 million. Reasonable charge of services x 10	8 October 2007	7 October 2012
Institute of Chartered Accountants in Australia (NSW)	All members of ICAA ordinarily resident in NSW who hold a current Certificate of Public Practice and who are not exempt	9,441	\$1 million to \$75 million. Reasonable charge of services x 10	8 October 2007	7 October 2012
Institute of Public Accountants (formerly the NIA – National Institute of Accountants)	All members of the Institute ordinarily resident in NSW who hold a current Public Practice Certificate issued by NIA who are not exempt	1,161	\$500,000 to \$20 million. Reasonable charge of services x 10	30 January 2007	29 January 2012
BARRISTERS					
NSW Bar Association	All members of the NSW Bar who hold a current NSW Barrister's Practising Certificate	2,045	\$1.5 million for all members (from 1 July 2010)	1 July 2010	30 June 2015
COMPUTER PROFESSIONALS					
Australian Computer Society	All members of the ACS professional division with Certified Computer Professional status	6	\$1.5 million to \$10 million	1 January 2010	31 December 2014
ENGINEERS					
Engineers Australia (NSW)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	1	\$1.5 million to \$20 million depending on total annual fee income of partnership, corporation or sole trader	24 February 2007	23 February 2012
College of Investigative and Remedial Consulting Engineers, Australia Inc.	All ordinary and retired members of CIRCEA	26	\$1 million for ordinary members, \$5 million for members who provide advice predominantly on geotechnical engineering, \$10 million on application of member	5 December 2006	4 December 2011

Association	Scheme applies to:	Number of members participating in scheme in NSW	Limit of liability	Start date for scheme	End date for scheme
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SOLICITORS

Law Society of NSW	All solicitors and life members of the Law Society of NSW who hold a current Public Practice Certificate, and who are not exempt	7,247	\$1.5 million to \$20 million depending on the number of principals; up to \$200million, as determined by the LSNSW, on application by a member	22 November 2006	21 November 2011
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SURVEYORS

Professional Surveyors Occupational Association NSW Inc.	All members of the PSOA	38	\$1 million to \$5 million depending on the firm's total annual gross fee income. Higher amount to \$10 million if selected	12 November 2007	11 November 2012
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VALUERS

Australian Property Institute Valuers Ltd	All members of the APIV	480	\$1 million to \$10 million depending on upper end value of valuation. Higher amount to \$20 million if selected	1 September 2010	31 August 2015
Australian Valuers Institute	AVI members resident in NSW who hold a current Practising Certificate	17	\$1 million for commercial and \$500,000 for work relating to residential property. Higher amount to \$10 million if selected	26 July 2007	25 July 2012

NEW SOUTH WALES – COMPLIANCE REPORTS BY ASSOCIATIONS

ACCOUNTANTS

CPA Australia (NSW)

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all mainland Australian States and Territories. For more on CPA Australia's national risk management and compliance strategies, see the section 'Cover of Excellence® schemes'.

Monitoring of claims

In 2010 there were three (3) insurance claims against NSW members and ten (10) notifications that a claim might be made.

Institute of Chartered Accountants in Australia (NSW)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all mainland Australian States and Territories. For more on the ICAA's national risk management and compliance strategies, see the section 'Cover of Excellence® schemes'.

Monitoring of claims

As part of its annual member survey, the ICAA sought information regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

In 2010 there were three (3) reported insurance claims over \$500,000 against NSW members.

National Institute of Accountants (Institute of Public Accountants)

The National Institute of Accountants (NIA) advised the Councils that the association would re-launch as the Institute of Public Accountants (IPA) in May 2011, including revamped logo and internet site, as part of a long term growth strategy.

The IPA's compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011.

Continuing professional development

The IPA advised the Councils that it has addressed the continuing professional development (CPD) needs of rural and regional members by providing online 'live' CPD sessions. These online sessions also extended to updates on ethical and professional issues. As a result of reviewing complaints data, the IPA increased the sessions relating to audit, in particular SMSF audit. IPA checked members' adherence to CPD obligations through a random sample of 500 members, and reported that the majority of members were compliant.

Complaints data

The IPA reported that, as part of its ISO 9001/2000 accreditation, it has in place a Quality Assurance process to handle any complaints about the IPA's investigative and disciplinary process. The complaints data was used to determine if there were any trend areas which require action or a CPD seminar to provide clarity. The IPA's Public Practice Orientation Program and Quality Assurance process have provisions for being updated to reflect emerging issues from complaint data. There were 36 complaints initiated by the IPA in 2010, including eight (8) relating to NSW members.

Disclosure of limited liability and use of Cover of Excellence® logo

The IPA reported that all NSW members were surveyed in January 2011 to test compliance with the disclosure requirement and of use of the *Cover of Excellence®* logo. Results showed 91 per cent of members were compliant, and the IPA worked with the remaining members to ensure they understood and complied with their obligations.

Trends in professional indemnity insurance

The IPA requires each member to have a minimum of \$500,000 professional indemnity insurance in place. The Association reports that, according to Marsh insurance company, the average cost of insurance for NIA members is two per cent of fees.

Monitoring of claims

Three (3) respondents to the Institute's 2010 'compliance declaration' gave notifications that a claim might be made.

BARRISTERS

New South Wales Bar Association

The Bar Association's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011.

Continuing professional development

A highlight of the New South Wales Bar Association's (NSW Bar's) 2010 report was the appointment of the Hon Kevin Lindgren QC, a former Federal Court of Australia Judge, to conduct a review of the NSW Bar Association's Professional Development activities. Dr Lindgren has extensive experience of the Bar and judiciary, including as Chairman of the Association's Education Committee, and his review will include briefing sessions and interviews with Bar Association members.

Complaints data

In the twelve months to 30 June 2010, 57 conduct complaints were referred to the NSW Bar Council by the NSW Legal Services Commissioner for investigation, and there were a further three (3) complaints direct to the Bar Council.

Trends in professional indemnity insurance

Premiums for professional indemnity insurance for NSW barristers increased in 2010, as in 2009. This increase reversed a previous trend of steadily reducing premiums. The Bar Association reported that this increase might have arisen from the global financial crisis. However, the Association also reported that the cost of insurance is not prohibitive.

Monitoring of claims

Claims monitoring helps identify areas for improvement for Bar Association members. There was a spike in claims against barristers in 2009–2010 with 61 claims and 109 notifications from which claims may arise.

Disclosure of limited liability and use of *Cover of Excellence*[®] logo

The NSW Bar Association reported on its members' compliance with disclosure of their limited liability, and with using the '*Cover of Excellence*[®]' logo. The Association's process for ensuring that members disclose their limited liability is to include a section in all barrister's annual practising certificate renewal forms, requiring them to confirm they have used the 'limited liability' disclosure statement and to advise whether or not they use the '*Cover of Excellence*[®]' logo. This must be completed before the practising certificate can be issued.

COMPUTER PROFESSIONALS

Australian Computer Society

The Australian Computer Society's (ACS) first annual compliance report, covering 2010, was submitted to the Professional Standards Council of NSW before 31 March 2011

Continuing professional development

During 2010, the ACS publicised the need for members to claim the required number of CPD points over a 12 month period in order to be eligible for certification. During 2011, the ACS developed and tested a new compliance monitoring program which would advise members in advance if their CPD hours would be insufficient, with roll-out of the program scheduled for 2012.

Complaints data

The ACS reported that nil (0) complaints were received about ACS members during 2010 and there were no disciplinary matters. Nevertheless, to ensure the rigour of the Society's quality assurance and audit processes, a Professional Standards Compliance Committee was established in 2010 to develop and implement an internal audit process for computer professionals.

Trends in professional indemnity insurance

As the ACS is a new entrant to the area of '*Cover of Excellence*[®]' schemes, there is not sufficient data as yet to report on professional indemnity insurance issues for the ACS member category of 'Certified Computer Professional'.

Monitoring of claims

There were nil (0) claims against ACS members in 2010.

Disclosure of limited liability and use of Cover of Excellence® logo

As the ACS is a new entrant to the area of 'Cover of Excellence®' schemes, there is not sufficient data as yet to audit compliance. However the ACS advised the Councils that it has prepared a risk control strategy of ongoing education and publicity to develop members' compliance.

ENGINEERS

Engineers Australia (NSW)

The Engineers Australia compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on the association's risk management and compliance strategies, which are the same for each jurisdiction, see the section 'Cover of Excellence® schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that CPD events were held in Sydney, Newcastle and regional NSW areas, with nearly 10,000 attendees at 159 sessions. Total take-up of CPD in Newcastle was up 40 per cent over the previous reporting period, with more than 1,265 attendees.

College of Investigative and Remedial Consulting Engineers, Australia Inc

The College of Investigative and Remedial Consulting Engineers Australia, Inc (CIRCEA) submitted its annual compliance report for 2010 to the Professional Standards Council of NSW after 31 March 2011.

Continuing professional development

CIRCEA members are required to complete a minimum 150 hours of continuing professional development over a rolling three-year period. CIRCEA advised that a full audit of CPD in late 2010 found 100 per cent compliance with the CPD requirement.

Complaints data

Members' understanding of, and compliance with, CIRCEA's Code of Ethics was reinforced at CIRCEA's mandatory annual risk management workshop. CIRCEA reported that nil (0) complaints were received about their members during 2010 and there were nil (0) disciplinary matters.

Trends in professional indemnity insurance

CIRCEA reported that insurance cover for professional indemnity insurance was written more readily in 2010 and 2009 than in earlier years. CIRCEA advised that insurance premiums became more inclusive, more competitive and appeared to have stabilised.

Monitoring of claims

There were no claims reported in 2010.

SOLICITORS

Law Society of New South Wales

The Law Society's compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011.

Continuing professional development

The Law Society of NSW has a points system for Mandatory Continuing Legal Education, requiring members to demonstrate completion of a certain number of CPD activities each year. CPD also contributes to specialist accreditation in areas such as business law, family and children's law, with new areas of accreditation in 2010 being Dispute Resolution, and Government and Administrative Law. Compliance with the CPD points system was tested through an audit of 700 practitioners, with only three (3) requiring an extension of time to comply.

Complaints data

Solicitors are regulated as a profession under the *Legal Profession Act 2004* (NSW), which allows for inspection and investigation of legal practices. Complaints against solicitors are primarily received by the Office of the Legal Services Commissioner, which received 2,467 written complaints. The Law Society's Professional Standards Department also opened 680 complaints against members.

Trends in professional indemnity insurance

The Law Society of NSW has a long-standing arrangement of organising professional indemnity insurance cover for its members under the name LawCover Insurance Pty Limited. The 'compulsory layer' recently increased from \$1.5 million to \$2 million for solicitors in NSW. LawCover is an APRA regulated and approved insurer.

Monitoring of claims

The Law Society advised that in the year 2009–10, the number of notifications of possible claims against members was low in the context of historical trends, with 628 notifications against members. The majority of claims were in the areas of 'conveyancing' (18 per cent) and 'other litigation' (18 per cent).

LawCover's risk management education programs for Law Society members were updated with the emphasis on communication and fostering client relationships, and techniques for effective work-processing systems in law firms.

SURVEYORS

Professional Surveyors Occupational Association NSW Inc. (PSOA)

The PSOA compliance report for 2010 was submitted to the Professional Standards Council of NSW before 31 March 2011.

Continuing professional development

CPD compliance is notified to the PSOA annually during the membership renewal process. At 30 December 2010, the compliance rate was 97 per cent, with the PSOA then following-up to ensure all members met CPD guidelines. The PSOA advises that sanctions for future non-compliance include disciplinary action up to suspension of membership.

Complaints data

Risk management compliance forms, including complaints information, were submitted to the PSOA by 97 per cent of members at the annual due date in 2010. The PSOA reported that the complaints concerned minor disputes and were resolved in-house, so they were not progressed further for investigation.

Trends in professional indemnity insurance

One insurance company, ACSIS Ltd, covers 94 per cent of PSOA members. The company provides a risk management audit program free to its clients who are members of the PSOA. When this has been completed satisfactorily, it provides a significant discount to the cost of members' policies.

The Association advised that PSOA members do not purchase professional indemnity insurance from overseas.

Monitoring of claims

The PSOA tracks insurance data, including number of claims and settlements, by collecting relevant information when members renew their membership annually, or when new members join.

During 2010, the insurer ACSIS Ltd received 10 notifications of possible claims against PSOA members. Three (3) notifications were settled – an increase of one (1) claim over 2009. The PSOA cautioned that the claims statistics form such a small sample that it would not be reasonable to draw conclusions from the data about claims trends.

Disclosure of limited liability and use of Cover of Excellence® logo

The annual renewals process for PSOA includes members formally confirming that they are disclosing their limited liability to consumers and that they are using the 'Cover of Excellence®' logo.

VALUERS

Australian Property Institute Valuers Ltd

The Australian Property Institute Valuers Ltd scheme was gazetted in New South Wales for commencement on 1 September 2010. The first annual report to the Councils is therefore expected in 2012.

Australian Valuers Institute

The Australian Valuers Institute's (AVI) compliance report for 2010 was submitted to the Professional Standards Council of NSW after 31 March 2011.

Continuing professional development

The AVI advised the Councils that their CPD strategy ensures members are both competent and ethical practitioners. The CPD program includes ethics and code of conduct education, with this information also distributed to all members by email. Completion of the minimum CPD requirement is linked with issuing the Practising Certificate.

Complaints data

The AVI's rules include a formal complaints procedure. Nil (0) complaints were received against members in 2010.

Trends in professional indemnity insurance

Underwriters became significantly more cautious in the post-global financial crisis market, following a number of claims against valuers nationally by a mortgage insurer. However, the AVI reported that nil (0) members of the Institute have been refused professional indemnity insurance.

The average cost of insurance for members ranged from 2.6 per cent to 8 per cent of gross fees, depending on risk.

Monitoring of claims

The AVI advised the Professional Standards Council of NSW that the risk management approach is considered to be working well, with nil (0) claims against its members in 2010. Risk management guidelines were made available to members on the AVI Internet site, and these members were also updated through newsletters.

Disclosure of limited liability and use of *Cover of Excellence*® logo

The AVI advised that their self-assessment system shows that all members who have adopted the *Cover of Excellence*® scheme are using the disclosure statement. It is advised that members rarely use the *Cover of Excellence*® logo; however the AVI continues to work with members on their understanding of these compliance requirements at the AVI's seminar series.

NORTHERN TERRITORY – SUMMARY DATA

The Professional Standards Council of the Northern Territory (NT) approves Schemes under the *Professional Standards Act 2004* (NT).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® logo, and disclosure of limited liability.

In 2010–11 there were seven Schemes in operation in the Northern Territory, covering seven occupational associations and five occupational groups.

Accountants

- CPA Australia (NT)
- Institute of Chartered Accountants in Australia (NT)

Barristers

- NSW Bar Association – *operates under mutual recognition*
- The Victorian Bar Inc – *operates under mutual recognition*

Computer professionals

- Australian Computer Society – *operates under mutual recognition*

Engineers

- Engineers Australia (NT)

Table 7: *Cover of Excellence*® schemes in the Northern Territory

Association	Scheme applies to:	Number of members participating in scheme in NT	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (NT)	All members of CPA Australia ordinarily resident in NT who hold a current Public Practice Certificate and who are not exempt	27	\$1 million to \$75 million. Reasonable charge of services x 10	26 May 2008	25 May 2013
Institute of Chartered Accountants in Australia (NT)	All members of ICAA ordinarily resident in NT who hold a current Certificate of Public Practice and who are not exempt	123	\$1 million to \$75 million. Reasonable charge of services x 10	7 January 2008	6 January 2013
ENGINEERS					
Engineers Australia (Northern)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	0	\$1.5 million to \$20 million	1 January 2009	31 December 2013

Valuers

- Australian Property Institute Valuers Ltd – *operates under mutual recognition*

The New South Wales Bar Association Scheme was gazetted in the Northern Territory to operate under mutual recognition on 1 September 2010.

The Victorian Bar Inc Scheme was gazetted in the Northern Territory to operate under mutual recognition on 1 September 2010.

The Australian Property Institute Valuers Ltd Scheme was gazetted in the Northern Territory, to operate under mutual recognition on 23 August 2010.

There were no proposed new schemes for the Northern Territory in the application stage during 2010–11.

NORTHERN TERRITORY – COMPLIANCE REPORTS BY ASSOCIATIONS

ACCOUNTANTS

CPA Australia (NT)

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all mainland Australian States and Territories. For more on CPA Australia's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

In 2010 there were nil (0) reported insurance claims against Northern Territory members.

Institute of Chartered Accountants in Australia (NT)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all mainland Australian States and Territories. For more on the ICAA's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

As part of its annual member survey, the ICAA sought information from its members regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

In 2010 there were nil (0) reported insurance claims over \$500,000 against Northern Territory members.

ENGINEERS

Engineers Australia (NT)

The Engineers Australia compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on Engineers Australia's risk management and compliance strategies, which are the same for each jurisdiction, see the section '*Cover of Excellence*[®] schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that 17 CPD events were held for their Northern region members, including lunchtime speakers, seminars and site visits.

QUEENSLAND – SUMMARY DATA

The Professional Standards Council of Queensland (Qld) approves Schemes under the *Professional Standards Act 2004* (Qld).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*[®] logo, and disclosure of limited liability.

In 2010–11 there were nine Schemes in operation in Queensland, covering nine

occupational associations and seven occupations.

Accountants

- CPA Australia (Qld)
- Institute of Chartered Accountants in Australia (Qld)

Barristers

- NSW Bar Association – *operates under mutual recognition*
- The Victorian Bar Incorporated – *operates under mutual recognition*

Table 8: *Cover of Excellence*[®] schemes in Queensland

Association	Scheme applies to:	Number of members participating in scheme in Qld	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (Qld)	All members of CPA Australia ordinarily resident in Qld who hold a current Public Practice Certificate and who are not exempt	1,146	\$1 million to \$75 million. Reasonable charge of services x 10	25 March 2008	24 March 2013
Institute of Chartered Accountants in Australia (Qld)	All members of ICAA ordinarily resident in Qld who hold a current Certificate of Public Practice and who are not exempt	3,592	\$1 million to \$75 million. Reasonable charge of services x 10	1 February 2008	31 January 2013
ENGINEERS					
Engineers Australia (Qld)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	1	\$1.5 million to \$20 million	1 January 2009	31 December 2013
SOLICITORS					
Queensland Law Society	Full members of the Queensland Law Society who hold a current Australian Practising Certificate	4,737	\$1.5 million or \$10 million.	1 July 2010	30 June 2015

Computer professionals

- Australian Computer Society – *operates under mutual recognition*

Engineers

- Engineers Australia (Qld)

Solicitors

- Queensland Law Society

Surveyors

- Professional Surveyors Occupational Association – *operates under mutual recognition*

Valuers

- Australian Property Institute Valuers Ltd – *operates under mutual recognition*

There was one scheme application in progress for Queensland during 2010–11.

The Queensland Law Society had a new scheme start on 1 July 2010, which will run for five years until 30 June 2015. This scheme was prescribed by the Commonwealth on 14 December 2010.

The NSW Bar Association Scheme was gazetted in Queensland to operate under mutual recognition on 17 December 2010.

The Victorian Bar Inc. Scheme was gazetted in Queensland to operate under mutual recognition on 17 December 2010.

The Professional Surveyors Occupational Association Scheme was gazetted in Queensland to operate under mutual recognition on 17 December 2010.

The Australian Property Institute Valuers Ltd Scheme was gazetted in Queensland to operate under mutual recognition on 17 December 2010.

QUEENSLAND – COMPLIANCE REPORTS BY ASSOCIATIONS**ACCOUNTANTS****CPA Australia (Qld)**

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on CPA Australia's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

In 2010 there were four (4) open insurance claims against Queensland members. There were 12 notifications from Queensland members that a claim might be made.

Institute of Chartered Accountants in Australia (Qld)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on the ICAA's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

As part of its annual member survey, the ICAA sought information from members regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

In 2010 there were two (2) reported insurance claims over \$500,000 against Queensland members.

ENGINEERS

Engineers Australia (Qld)

The Engineers Australia compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on Engineers Australia's risk management and compliance strategies, which are the same for each jurisdiction, see the section '*Cover of Excellence*[®] schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that more than 150 technical CPD events were held in Brisbane, Rockhampton and Ipswich. Presentations were also made available online to members.

SOLICITORS

Queensland Law Society

The Queensland Law Society's (QLS) compliance report for 2010 was submitted to the Professional Standards Council of Queensland before 31 March 2011.

Continuing professional development

During 2010 QLS undertook extensive research into underlying causes of claims in order to communicate this to the membership, and to improve and update the content of CPD. The QLS held internal discussions with the insurer Lexon and other stakeholders to develop educational initiatives which were evidence-based and based on risk data.

Complaints data

Data analysis revealed that common causes of complaints in 2010 were ethical matters, costs, quality of service and personal injury advertising. The QLS developed risk controls for each of these areas, introducing new protocols and information packs, symposia and conferences for members, and a new free guide to practice management and supervision.

Trends in professional indemnity insurance

Under Queensland Law Society Indemnity Rules 2005, every member must be insured under the QLS PI scheme. This is operated by the compulsory insurer, Lexon Insurance, which provides up to \$2 million per claim.

The QLS reported that the availability and cost of professional indemnity insurance remains satisfactory and constant in spite of a challenging claims environment created by the global financial crisis. The levy model of 2010–2011 included a substantial reduction in excesses payable by low fee earning practices for 2010–2011 year claims.

Monitoring of claims

The Society reported that common causes of claims in 2010 were legal issues and oversights. It was found that claims often arose from simplistic failures despite firms having some systems in place. Over recent years the insurer released significant risk tools at no charge to help firms manage risk. These tools are aimed at all practitioners, not just younger lawyers, as claims analysis provides many examples in which experienced practitioners overlooked legal issues well known to them.

Disclosure of limited liability and use of *Cover of Excellence*[®] logo

The QLS's annual audit of compliance with disclosure of members' limited liability found a small percentage of non-compliance. The QLS reported that, after advising members that the benefits of the scheme would not apply during the period of the breach, action was agreed for those members to disclose limited liability and to use the '*Cover of Excellence*[®]' logo.

SOUTH AUSTRALIA – SUMMARY DATA

The Professional Standards Council of South Australia (SA) approves Schemes under the *Professional Standards Act 2004 (SA)*.

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® logo, and disclosure of limited liability.

In 2010–11 there were three Schemes in operation in South Australia, covering

three occupational associations and two occupations.

Accountants

- CPA Australia (SA)
- Institute of Chartered Accountants in Australia (SA)

Engineers

- Engineers Australia (SA)

There were two new scheme applications in progress for South Australia during the reporting period.

Table 9: *Cover of Excellence*® schemes in South Australia

Association	Scheme applies to:	Number of members participating in scheme in SA	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (SA)	All members of CPA Australia ordinarily resident in SA who hold a current Public Practice Certificate and who are not exempt	250	\$1 million to \$75 million. Reasonable charge of services x 10	14 April 2008	13 April 2013
Institute of Chartered Accountants in Australia (SA)	All members of ICAA ordinarily resident in SA who hold a current Certificate of Public Practice and who are not exempt	1,592	\$1 million to \$75 million. Reasonable charge of services x 10	20 February 2008	19 February 2013
ENGINEERS					
Engineers Australia (SA)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	0	\$1.5 million to \$20 million	1 September 2009	31 August 2014

SOUTH AUSTRALIA – COMPLIANCE REPORTS BY ASSOCIATIONS

ACCOUNTANTS

CPA Australia (SA)

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on CPA Australia's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

In 2010 there were nil (0) reported insurance claims against South Australian members. There were four (4) notifications from SA members that a claim might be made.

Institute of Chartered Accountants in Australia (SA)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on the ICAA's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

As part of its annual member survey, the ICAA sought information regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

In 2010 there were nil (0) reported insurance claims over \$500,000 against South Australian members.

ENGINEERS

Engineers Australia (SA)

The Engineers Australia compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on Engineers Australia's risk management and compliance strategies, which are the same for each jurisdiction, see the section '*Cover of Excellence*[®] schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that 70 CPD events were held in South Australia including technical sessions and site visits, with over 1,400 members participating.

TASMANIA – SUMMARY DATA

The Professional Standards Council of Tasmania (Tas) approves Schemes under the *Professional Standards Act 2005* (Tas).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® logo, and disclosure of limited liability.

In 2010–11 there was one Scheme in operation in Tasmania, covering one occupational association and one occupation.

There were no new applications for schemes for Tasmania during 2010–11.

Engineers

- Engineers Australia (Tas)

TASMANIA – COMPLIANCE REPORTS BY ASSOCIATIONS

ENGINEERS

Engineers Australia (Tas)

Engineers Australia’s compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on Engineers Australia’s risk management and compliance strategies, which are the same for each jurisdiction, see the section ‘*Cover of Excellence*® schemes’.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia for Tasmania reported that invitations were distributed to 91 CPD events organised by the association and related professional bodies, and six courses were offered by Engineering Education Australia.

Table 10: *Cover of Excellence*® schemes in Tasmania

Association	Scheme applies to:	Number of members participating in scheme in Tas	Limit of liability	Start date for scheme	End date for scheme
ENGINEERS					
Engineers Australia (Tas)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	0	\$1.5 million to \$20 million	1 June 2009	31 May 2014

VICTORIA – SUMMARY DATA

The Professional Standards Council of Victoria (Vic) approves Schemes under the *Professional Standards Act 2003* (Vic).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*[®] logo, and disclosure of limited liability.

In 2010–11 there were eight Schemes in operation in Victoria, covering eight occupational associations and six occupations.

Accountants

- CPA Australia (Vic)
- Institute of Chartered Accountants in Australia (Vic)

Barristers

- NSW Bar Association – *operates under mutual recognition*
- The Victorian Bar Inc.

Computer professionals

- Australian Computer Society – *operates under mutual recognition*

Engineers

- Engineers Australia (Vic)

Solicitors

- Law Institute of Victoria

Surveyors

- Professional Surveyors Occupational Association – *operates under mutual recognition*

The Law Institute of Victoria had a new scheme start on 1 July 2010, which will run for five years until 30 June 2015. This scheme was prescribed by the Commonwealth.

The NSW Bar Association's Scheme was gazetted to operate under mutual recognition in Victoria on 19 August 2010.

Table 11: Cover of Excellence® schemes in Victoria

Association	Scheme applies to:	Number of members participating in scheme in Vic	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (Vic)	All members of CPA Australia ordinarily resident in Victoria who hold a current Public Practice Certificate and who are not exempt	2,125	\$0.5 million minimum, to \$75 million	21 April 2008	20 April 2013
Institute of Chartered Accountants in Australia (Vic)	All members of ICAA ordinarily resident in Victoria who hold a current Certificate of Public Practice and who are not exempt	6,064	\$75 million cap.	3 March 2008	2 March 2013
BARRISTERS					
The Victorian Bar Inc.	All participating members holding a current Victorian barrister's practising certificate	656	\$2 million	1 July 2008	30 June 2013
ENGINEERS					
Engineers Australia (Vic)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	2	\$1.5 million to \$20 million	1 July 2009	3 June 2014
SOLICITORS					
Law Institute of Victoria	Full members of the Law Institute of Victoria who hold a current Public Practice Certificate and who elect to participate in the scheme	2,933	\$2 million or \$10 million	1 July 2010	30 June 2015

VICTORIA – COMPLIANCE REPORTS BY ASSOCIATIONS

ACCOUNTANTS

CPA Australia (Vic)

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on CPA Australia's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

In 2010 there were eight (8) claims against Victorian members and nineteen notifications from Victorian members that a claim might be made.

Institute of Chartered Accountants in Australia (Vic)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on the ICAA's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

As part of its annual scheme compliance survey, the ICAA sought information from its members regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

In 2010 there were three (3) reported insurance claims over \$500,000 against Victorian members.

BARRISTERS

The Victorian Bar Inc.

The Victorian Bar's (Vic Bar's) compliance report for 2010–11 was submitted to the Professional Standards Council of Victoria after 31 March 2011.

Continuing professional development

Vic Bar reported that it had applied and received approval from the Legal Services

Board to adopt new CPD rules during the year. The primary effect of the rules change is to make members responsible for assessing their own completion of CPD requirements, which will be periodically verified by audit. Vic Bar completed its first full audit of CPD during 2010. It has since linked completion of CPD with the annual renewal of members' practising certificates. The Association has changed its nine month 'Reading Period' to intensify the advocacy elements taught in the initial eight weeks of dedicated training, for which an entry exam and teacher training provides the foundation. The Association is also reviewing its CPD curriculum, with a view to identifying core competencies for training across a range of subject areas. Members are able to access all CPD events via video podcast, together with papers written for these events from the Vic Bar website, or if members prefer by borrowing a DVD of the event from the Bar's administrative office. The Criminal Bar Association also is providing advanced Jury Trial Advocacy training to assist members already in practice.

Complaints data

Vic Bar's office bearers and its Ethics Committee regularly interact with the Legal Services Commissioner (LSC) to ensure the Bar meets the required performance standards. Vic Bar reported that the LSC has the responsibility for complaints under the *Legal Profession Act* and will routinely delegate the investigatory function to the Bar's Ethics Committee on a case by case basis. Should the LSC, on receipt of the findings, notify Vic Bar of a disciplinary order against a member, the Association will publish that information in its newsletter and on its internet site.

Trends in professional indemnity insurance

Vic Bar advised that, as well as the primary objective of maintaining professional standards, education assists in keeping the incidence of insurance claims at low levels. During 2010–11, the Association advised its members of the need for a personal risk management plan, and provided a suggested format for their guidance. The Association also reported that, had members

been subject to a loss adjusted premium under the Legal Practitioners Liability Committee policy – which would have reflected an elevated claims history over the last five years – then very few members would have been affected.

Monitoring of claims

The Association advised that members' claims experience reported by the LPLC over a five-year period was favourable. In 2009–10, there were 21 claims against members, and 14 notifications of a possible claim.

Disclosure of limited liability and use of *Cover of Excellence*® logo

The association advised that during 2010 it provided members with educational material on the need to comply with the disclosure policy, *Cover of Excellence*® usage, and insurance and business assets requirements.

ENGINEERS

Engineers Australia (Vic)

Engineers Australia's compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on Engineers Australia's risk management and compliance strategies, which is the same for each jurisdiction, see the section '*Cover of Excellence*® schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that 350 CPD events were held across Victoria, and an eminent speaker series was initiated for '2010 Year of Engineering Leadership'.

SOLICITORS

Law Institute of Victoria (LIV)

The LIV's compliance report for 2010 was submitted to the Professional Standards Council of Victoria before 31 March 2011.

Continuing professional development

Members of the LIV must comply with requirements to complete a set number of CPD points each year. More than 100 CPD events and activities were available via the LIV from 1 July 2010 to 31 December 2010. Information from complaints, disciplinary procedures and insurance claims will be used to increase professional development offerings to address trends and issues in members' practices.

Complaints data

In Victoria, all complaints against legal practitioners are investigated by the Legal Services Commissioner. At the time of reporting by the LIV on its risk management plan, the scheme had only been in operation for six months. Complaints data for a full 12 month cycle was not available, though a trends for claims relating to errors and omissions in conveyancing and mortgages was noted. The LIV advised that it will work with the Professional Standards Councils to introduce effective risk management initiatives during the next reporting cycle to address any arising issues.

Trends in professional indemnity insurance

At the time of reporting by the LIV on its risk management plan, the scheme had only been in operation for six months. Thus no trend in professional indemnity insurance was discernable for 2010.

Monitoring of claims

At the time of reporting by the LIV on its risk management plan, the scheme had only been in operation for six months. The LIV reported that it intends to analyse claims data and disciplinary statistics to make recommendations for improvements to continuing professional development.

Disclosure of limited liability and use of *Cover of Excellence*® logo

The LIV advises that use of the '*Cover of Excellence*®' logo is optional for its members. Nevertheless the LIV found a 93 per cent rate of full compliance with the disclosure statement and '*Cover of Excellence*®' logo. Non-compliant members were largely sole practitioners and the LIV advised it will work with this demographic to improve compliance in future audits.

WESTERN AUSTRALIA – SUMMARY DATA

The Professional Standards Council of Western Australia (WA) approves Schemes under the *Professional Standards Act 1997* (WA).

Associations with Schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® logo, and disclosure of limited liability.

In 2010–11 there were five Schemes in operation in Western Australia, covering five occupational associations and four occupations.

Accountants

- CPA Australia (WA)
- Institute of Chartered Accountants in Australia (WA)

Barristers

- NSW Bar Association – *operates under mutual recognition*

Engineers

- Engineers Australia (WA)

Valuers

- Australian Property Institute Valuers Ltd – *operates under mutual recognition*

The Australian Property Institute Valuers Ltd Scheme was approved on 23 July 2011 and gazetted in Western Australia to operate under mutual recognition on 27 August 2010. It was prescribed by the Commonwealth on 14 December 2010.

Table 12: *Cover of Excellence*® schemes in Western Australia

Association	Scheme applies to:	Number of members participating in scheme in WA	Limit of liability	Start date for scheme	End date for scheme
ACCOUNTANTS					
CPA Australia (WA)	All members of CPA Australia ordinarily resident in WA who hold a current Public Practice Certificate and who are not exempt	750	\$0.5 million minimum, to \$75 million	1 April 2008	31 March 2013
Institute of Chartered Accountants in Australia (WA)	All members of ICAA ordinarily resident in WA who hold a current Certificate of Public Practice and who are not exempt	2,273	\$75 million cap	8 October 2007	7 October 2012
ENGINEERS					
Engineers Australia (WA)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	1	\$1.5 million to \$20 million	1 January 2009	31 December 2013

The New South Wales Bar Association Scheme operates in Western Australia under mutual recognition.

There were no new proposed schemes for Western Australia in the application stage during 2010–11.

WESTERN AUSTRALIA – COMPLIANCE REPORTS BY ASSOCIATIONS

ACCOUNTANTS

CPA Australia (WA)

CPA Australia's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on CPA Australia's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

In 2010 there were nil (0) reported insurance claims against Western Australian members.

Institute of Chartered Accountants in Australia (WA)

ICAA's compliance report for 2010 was submitted to the Professional Standards Councils before 31 March 2011. This report covers all Australian States and Territories. For more on the ICAA's national risk management and compliance strategies, see the section '*Cover of Excellence*[®] schemes'.

Monitoring of claims

As part of its annual member survey, the ICAA sought information regarding any formal claim in excess of \$500,000 lodged against the member or the firm during the 2010 calendar year.

In 2010 there were nil (0) reported insurance claims over \$500,000 against Western Australian members.

ENGINEERS

Engineers Australia (WA)

Engineers Australia's compliance report for 2010 was submitted to the Professional Standards Councils after 31 March 2011. This report covers all Australian States and Territories. For more on the Engineers Australia's risk management and compliance strategies, which are the same for each jurisdiction, see the section '*Cover of Excellence*[®] schemes'.

Separate information is maintained for each State and Territory on continuing professional development, and this is detailed below.

Continuing professional development

Engineers Australia reported that 311 continuing professional development events for Western Australia included 19 site visits, 10 joint presentations, three conferences and four 'eminent speaker' events. Total attendance at CPD events in WA was 11,500, an increase of seven per cent (7 per cent) on the previous year.

FINANCIAL AND STATUTORY REPORTING FOR THE PROFESSIONAL STANDARDS COUNCILS

CONSOLIDATED FINANCIAL PERFORMANCE EXTRACT 2010–11¹

TABLE 13: FINANCIAL PERFORMANCE OF THE PROFESSIONAL STANDARDS COUNCILS CONSOLIDATED FINANCIAL PERFORMANCE EXTRACT 2010–11¹

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
REVENUE²									
Application Fees	25,000	10,000	5,000	0	10,000	0	0	0	0
Annual Fees	2,498,919	1,127,733	481,428	599,867	95,687	154,301	32,241	7,662	0
Interest received less fees	167,026	94,800	24,878	47,368	0	(22)	0	0	0
TOTAL REVENUE	2,690,944	1,232,533	511,307	647,235	105,687	154,279	32,241	7,662	0
EMPLOYEE-RELATED PAYMENTS									
Salaries and Wages	(597,925)	(273,868)	(113,612)	(143,815)	(23,484)	(34,281)	(7,164)	(1,702)	0
Leave Entitlements	(65,312)	(29,915)	(12,410)	(15,709)	(2,565)	(3,745)	(783)	(186)	0
Workers' Compensation	(5,733)	(2,626)	(1,089)	(1,379)	(225)	(329)	(69)	(16)	0
Payroll Tax	(43,017)	(19,703)	(8,174)	(10,346)	(1,689)	(2,466)	(515)	(122)	0
Superannuation	(64,136)	(29,376)	(12,186)	(15,426)	(2,519)	(3,677)	(768)	(183)	0
Contractors	(1,508)	(691)	(286)	(363)	(59)	(86)	(18)	(4)	0
Crown Liabilities and Superannuation	(24,095)	(11,036)	(4,578)	(5,795)	(946)	(1,381)	(289)	(69)	0
TOTAL EMPLOYEE-RELATED	(801,724)	(367,214)	(152,336)	(192,833)	(31,488)	(45,965)	(9,606)	(2,283)	0
OTHER OPERATING EXPENSES									
Advertising and Publicity	(40,014)	(18,328)	(7,603)	(9,624)	(1,572)	(2,294)	(479)	(114)	0
External Audit	(26,400)	(12,092)	(5,016)	(6,350)	(1,037)	(1,514)	(316)	(75)	0
Bank charges	0	0	0	0	0	0	0	0	0
Consultancies ³	(30,331)	(13,892)	(5,763)	(7,295)	(1,191)	(1,739)	(363)	(86)	0
Contractors	(27,652)	(12,665)	(5,254)	(6,651)	(1,086)	(1,585)	(331)	(79)	0
Depreciation	(27,652)	(12,665)	(5,254)	(6,651)	(1,086)	(1,585)	(331)	(79)	0

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
Electricity and Gas	(2,596)	(1,189)	(493)	(624)	(102)	(149)	(31)	(7)	0
Fees:									
- Board Fees ⁴	(34,145)	(15,639)	(6,488)	(8,213)	(1,341)	(1,958)	(409)	0	0
- Other Fees	(6,413)	(2,937)	(1,219)	(1,542)	(252)	(368)	(77)	0	0
Freight & Cartage	0	0	0	0	0	0	0	0	0
General Expenses	(1,347)	(617)	(256)	(324)	(53)	(77)	(16)	(4)	0
Insurance	(13,729)	(6,288)	(2,609)	(3,302)	(539)	(787)	(164)	(39)	0
Motor vehicles	(1,770)	(811)	(336)	(426)	(70)	(102)	(21)	(5)	0
Postal Expenses	(228)	(104)	(43)	(55)	(9)	(13)	(3)	(1)	0
Printing	(26,664)	(12,213)	(5,066)	(6,413)	(1,047)	(1,529)	(319)	(76)	0
Publications	(15,280)	(6,999)	(2,903)	(3,675)	(600)	(876)	(183)	(44)	0
Rates and Outgoings	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0
Rent	(57,804)	(26,476)	(10,983)	(13,903)	(2,270)	(3,314)	(693)	(165)	0
Staff Expenses	(8,435)	(3,864)	(1,603)	(2,029)	(331)	(484)	(101)	(24)	0
Stores and Stationery	(34,682)	(15,885)	(6,590)	(8,342)	(1,362)	(1,988)	(416)	(99)	0
Telephone	(1,451)	(664)	(276)	(349)	(57)	(83)	(17)	(4)	0
Travel	(68,225)	(31,249)	(12,963)	(16,410)	(2,680)	(3,912)	(817)	(194)	0
Accommodation and building work	(82,457)	(37,768)	(15,668)	(19,833)	(3,238)	(4,727)	(988)	(235)	0
NSW DAGJ Service charge	(31,034)	(14,215)	(5,897)	(7,464)	(1,219)	(1,779)	(372)	(88)	0
TOTAL OTHER OPERATING EXPENSES	(510,657)	(233,896)	(97,030)	(122,825)	(20,056)	(29,277)	(6,118)	(1,338)	0
TOTAL EXPENDITURE	(1,312,381)	(601,110)	(249,366)	(315,658)	(51,544)	(75,242)	(15,724)	(3,737)	0
Less Crown Liabilities	24,095	11,036	4,578	5,795	946	1,381	289	69	0
Less Depreciation	27,652	12,665	5,254	6,651	1,086	1,585	331	79	0
NET TOTAL EXPENDITURE⁵	(1,260,635)	(577,409)	(239,533)	(303,212)	(49,512)	(72,276)	(15,104)	(3,589)	0
FINAL NET POSITION	1,430,309	655,125	271,773	344,023	56,176	82,004	17,137	4,072	0

Notes:

1. This unaudited statement is derived from information provided by the New South Wales Department of Attorney General and Justice (NSW DAGJ) and records kept by the OPSC. NSW DAGJ provides financial services to the Councils and the Councils' financial information forms part of the Financial Statement published in the NSW DAGJ Annual Report, which is subject to audit by the NSW Auditor-General. Figures are exclusive of Goods and Services Tax.
2. Revenue figures are prepared on an accruals basis of accounting.
3. Consultancy fees were for the provision of independent actuary advice for the Schemes and IT advice.

4. Allowances paid to Council Members at rates determined by the NSW Attorney General in accordance with Clause 4, Schedule 2, *Professional Standards Act 1994* (NSW). These allowances are the same for all members, with the exception of the Chair. The figures under each Council are derived from the application of a formula specified in the Professional Standards Inter-Departmental Service Agreement 2010 which allocates expenses to each Council based on their proportion of the total revenue.
5. Final Total Expenditure information is derived from NSW DAGJ incorporating variances from estimated expenditure figures used to derive service charges.

Under the Professional Standards Inter-Departmental Service Agreement 2010 signed by all the States and Territories with the NSW DAGJ, each Council bears a proportion of the total expenditure based on their share of the total revenues for all the Councils. Each Council is invoiced by the NSW DAGJ for their portion of the expenditure.

Invoiced services provided by OPSC, in accordance with the Service Agreement, were based on estimated expenditure at 30 June 2011. These amounts do not include Goods and Services Tax. The amount of service charges to all the Councils totalling \$1,258,799.10 is shown below:

Amount of service charges to PSCs

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<i>Service charge paid to NSW DAGJ</i>	1,258,799.10	580,288.37	240,728.06	296,527.05	49,832.96	72,636.10	15,179.41	3,607.14	0

There is a variation between the service charge invoiced to each Council on 30 June 2011 and final service charge to be applied for 2010–11. The total variation is \$1,835.63. Therefore the total amount invoiced should have been \$1,260,634.70. The variations for each Council will be settled during the year ended 30 June 2012, and are as shown below:

Variations of PSCs

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<i>Variation to be payable to NSW DAGJ Q1 2010–11</i>	1,835.63	(2,880)	(1,195)	6,685.09	(321)	(360)	(75)	(18)	0

Therefore the service charges for each Council after these adjustments are:

Total service charges after adjustments

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<i>Service charge paid to NSW DAGJ</i>	1,260,634.70	577,408.57	239,533.39	303,212.14	49,511.68	72,275.63	15,104.08	3,589.24	0

Note: Audited financial statements for Queensland, South Australia, Victoria and Western Australia are addenda to this Report.

THE PROFESSIONAL STANDARDS COUNCIL OF THE AUSTRALIAN CAPITAL TERRITORY

Constitution of the Council

The members of the Professional Standards Council of the Australian Capital Territory were: Esther Alter, Robert Beaton, Julie Cameron (from 28 February 2011), Terry Evans, Ronald Farrell, Tom Karp (from 28 February 2011), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 14: Meetings of the Professional Standards Council of the Australian Capital Territory

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Councillors Julie Cameron and Tom Karp were appointed to the Professional Standards Council of the Australian Capital Territory in February 2011. Despite this late appointment, both Councillors were entitled and authorised to attend meetings that took place prior to February 2011 in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

No major changes were made to professional standards legislation during 2010–11.

Risk Management and Internal Audit

The risk management and internal audit practices of the Council and the OPSC are described elsewhere in this Annual Report.

Public Interest Disclosure

There were no public interest disclosures for the period 2010–11.

Freedom of Information

Under sections 7, 8 and 79 of the *Freedom of Information Act 1989* (ACT) the Council must report on the FOI requests received and handled during the reporting year.

Section 7: Requires the Council to publish a statement about the particulars, functions and powers of that agency as well as certain categories of documents held by each agency and the arrangements for public participation in the formulation of policy and operations. The following statements are correct as of 30 June 2011.

Organisation and Functions

The organisation and functions of the Council are described elsewhere in this Annual Report.

Categories of Documents

The Council holds several categories of documents as follows:

- documents freely available on request and without charge. These are available on the Council's website at www.psc.gov.au. Specifically these include:
 - ◆ Annual reports
 - ◆ The Scheme application form
 - ◆ Policy papers
 - ◆ Application guidelines
 - ◆ Scheme documents
- documents that are exempt under the *Freedom of Information Act 1989 (ACT)*, and
- all other kinds of documents that may be available under the Act.

Personal information is not held or collected by the Council.

Section 8: Decisions of the Council to approve *Cover of Excellence*[®] Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required to be completed by associations, along with application guidelines can be accessed on the website of the Council at www.psc.gov.au.

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the previous 10 years concerning the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, COE and codes of conduct and ethics.

Section 79: The Council did not receive any applications for the access of documents (initial requests) during the reporting year.

The Council did not receive applications for the internal review of its decisions. As such there were no applications to a tribunal to review the decisions of the Council, and no requests were received for the amendment of records under section 48.

Staffing Profile

The staffing profile of the OPSC that performs the secretariat work for the Professional Standards Council of the Australian Capital Territory is located in the Appendices of this Annual Report, headed 'Staffing Profile'.

Territory Records

Sound record keeping practices underpin good governance. The Council has a system in place to ensure the accurate storage, capture and retrieval of documents as required by the *Territory Records Act 2002 (ACT)*.

Financial Performance

The Professional Standards Council of the Australian Capital Territory is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of the Australian Capital Territory and the proportion of expenses for this Council.

THE PROFESSIONAL STANDARDS COUNCIL OF NEW SOUTH WALES

Constitution of the Council

The members of the Professional Standards Council of New South Wales were: Esther Alter, Robert Beaton, Julie Cameron (from 5 October 2010), Terry Evans, Ronald Farrell, Tom Karp (from 29 November 2010), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 15: Meetings of the Professional Standards Council of New South Wales

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Councillors Julie Cameron and Tom Karp were appointed to the Professional Standards Council of New South Wales in October and November 2010 respectively. Despite the timing of these appointments, both Councillors were entitled and authorised to attend meetings that took place prior to these dates in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

No legislative change took place in relation to the *Professional Standards Act 1994* (NSW) during the relevant period.

Reporting under the Government Information (Public Access) Act 2009 (NSW)

The *Freedom of Information Act 1989* (NSW) was repealed and replaced by the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act) which came into force on 1 July 2010. Amongst other things, the *GIPA Act* requires the New South Wales Department of Attorney General and Justice (DAGJ) Business Centres to publish “open access information” on their websites unless there is an overriding public interest against disclosing this information.

According to the *GIPA Act*, “open access information” may be interpreted quite broadly and can include policy documents drafted by a Business Centre that are tabled in Parliament, such as an annual report. The Professional Standards Council of New South Wales did not receive any requests pursuant to the *GIPA Act* during the reporting period, nor were there any outstanding requests for information under the earlier *Freedom of Information Act 1989* (NSW).

Occupational Health and Safety Disclosure

There were no work related injuries during the reporting period nor illnesses and prosecutions under the *Occupational Health and Safety Act 2000* (NSW). The OPSC staff are governed by the Occupational Health Safety (OHS) policies and practices of the NSW DAGJ.

Funds Granted to Non-Government Community Organisations

Four associations were offered the opportunity to enter into funding agreements based on successful applications submitted by their members in the 2010–11 reporting period. Based on the timing involved in the application process, grant funds were not awarded during this period, however, it is anticipated that

funds will be distributed to the four successful associations throughout 2011–12.

Consultants

Any costs incurred by hiring consultants during the reporting period are detailed in the Consolidated Financial Performance Extract.

Overseas Travel

There was no overseas travel in the reporting period.

Land Disposal

The Professional Standards Council of New South Wales and the OPSC do not own properties, nor were properties acquired or disposed of during the reporting period.

Publications and Promotion

The Professional Standards Council of New South Wales produces a variety of publications to facilitate improvements in the professions and to support consumer protection.

Publications produced during 2010–11 were:

- Professional Standards Council: Combined Annual Report 2009–10
- Framework for Compliance under Professional Standards Legislation
- Excellence in Professional Standards: What it means for an occupational association like yours (brochure)
- Star Initiative Grants Program: Expression of Interest 2010 (brochure)

Consumer Response

During the reporting period, the Council and the OPSC did not receive any consumer complaints or suggestions.

Risk Management and Insurance Activities

The risk management and internal audit practices of the Council and the OPSC are described elsewhere in this Annual Report.

Ethnic Affairs Priorities Statement (EAPS)

The staff of the OPSC and the services it provides, are governed by the NSW DAGJ Ethnic Affairs Priority Statement and the Culturally and Linguistically Diverse Communities' (CALD) Access Plan. All NSW

DAGJ services are accessible to CALD communities with the availability of translators and interpreters.

Waste Management

The OPSC staff are governed by the NSW DAGJ Environment Policy which demonstrates a commitment to reducing the effect of its operations on the natural environment. NSW DAGJ also has in place a Sustainability Policy.

The Council and OPSC have continued to comply with these policies and assist to limit the impact of its operations on the environment. For example, Council papers for regular Council meetings are produced on 50 per cent recycled paper, printed double sided and in most cases lengthy addenda are provided to Councillors electronically only. A number of Councillors are now receiving their papers in electronic format only, thereby reducing the use of paper and print processing. Promotional material such as the annual report are produced on 55 per cent recycled paper, only the required number of reports are printed and the report is available on the internet.

From early 2011, NSW DAGJ attempted to further improve energy efficiency in its Justice Precinct Office located in Parramatta. OPSC staff co-operated with the NSW DAGJ 'energy challenge' by switching off all unnecessary office lighting and turning off office equipment such as computers and monitors at close of business each day.

Financial Performance

The Professional Standards Council of New South Wales is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of New South Wales and the proportion of expenses for this Council.

THE PROFESSIONAL STANDARDS COUNCIL OF THE NORTHERN TERRITORY

Constitution of the Council

The members of the Professional Standards Council of the Northern Territory were: Esther Alter, Robert Beaton, Julie Cameron (nominee of Queensland Minister), Terry Evans, Ronald Farrell, Tom Karp (from 5 October 2010), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 16: Meetings of the Professional Standards Council of the Northern Territory

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Councillor Tom Karp was appointed to the Professional Standards Council of the Northern Territory in October 2010, and Councillor Julie Cameron was a nominee of the Queensland Minister. Despite the timing of these appointments in this jurisdiction, both Councillors were entitled and authorised to attend meetings that took place prior to October 2010 in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

The *Professional Standards Act 2004* (NT) was amended by the *Justice Legislation (Penalties) Act 2010* (NT), which came into force on 1 July 2010. As a result, the penalties for non-compliance with the *Professional Standards Act 2004* (NT) changed from an absolute number of penalty units, to a “maximum” number of penalty units.

The *Professional Standards Act 2004* (NT) was further amended by the *Oaths, Affidavits and Declarations (Consequential Amendments) Act 2010* (NT) which came into force on 1 March 2011. As a result, section 40(2)(c) of the *Professional Standards Act 2004* (NT), relating to associations’ complaints and disciplinary codes, has been procedurally amended for consistency with other NT legislation to provide that a committee may “require evidence be given on [oath]” and to omit the words “administer an [oath]” because the new *Oaths, Affidavits and Declarations Act 2010* now provides for who may administer an oath – namely, any sitting member of a tribunal/committee may administer an oath.

Information Act

The Council did not receive any FOI requests, nor were there any outstanding requests for information pursuant to the *Information Act 2002* (NT) during the period.

Protection of Personal Information and Records Management

Personal information is not held or collected by the Council. Decisions of the Council to approve *Cover of Excellence*[®] Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required of associations, along with application guidelines, can be accessed on the website of the Council at www.psc.gov.au.

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the previous 10 years concerning the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, COE and codes of conduct and ethics.

Sound record keeping practices underpin good governance. The Council has a system in place to ensure the accurate storage, capture and retrieval of documents as required by the Act.

Public Interest Disclosure Act

There were no public interest disclosures for the period 2010–11.

Financial Performance

The Professional Standards Council of the Northern Territory is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of the Northern Territory and the proportion of expenses for this Council.

THE PROFESSIONAL STANDARDS COUNCIL OF QUEENSLAND

Constitution of the Council

The members of the Professional Standards Council of Queensland were: Esther Alter, Robert Beaton, Julie Cameron, Terry Evans, Ronald Farrell, Tom Karp (from 1 September 2010), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 17: Meetings of the Professional Standards Council of Queensland

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

Major Legislative Changes

The following legislative amendments are reflective of the acceptance of mutual recognition in the *Professional Standards Act 2004* (Qld).

The *Professional Standards Act 2004* (Qld) was amended by the *Justice and Other Legislation Amendment Act 2010* (Qld) which came into force on 14 October 2010. The amendments clarify the application of section 14 in relation to the approval of instruments amending interstate schemes and section 15 in relation to the commencement of interstate schemes.

Right to Information Reporting

The *Right to Information Act 2009* (Qld) grants a right of access to persons, to access information in the possession or control of the government, unless it is contrary to public interest to do so.

The Council, via its website, actively publishes information about its work. Annual Reports of the Council are available on the website, as is information about the role and operations of the Council.

Consultation notices for new *Cover of Excellence*[®] Schemes are published on the website as well as in the newspaper. Also, once a Scheme becomes operational in Queensland, the Scheme document and summary is made available on the website for public access. The Council publishes policy and discussion papers on its website, as well as application forms and application guidelines for *Cover of Excellence*[®] Schemes.

The Professional Standards Council of Queensland did not receive any requests under the *Right to Information Act 2009* (Qld) in the reporting period.

Information Privacy Act 2009

Section 40 of the *Information Privacy Act 2009* (Qld) provides that a person has a right to access documents which contain their personal information.

Personal information is not held or collected by the Council. Decisions of the Council to approve *Cover of Excellence*® Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required to be completed by associations, along with application guidelines, can be accessed on the website of the Council at www.psc.gov.au.

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the previous 10 years concerning the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, COE and codes of conduct and ethics.

Whistleblowers Protection Act 1994

The *Whistleblowers Protection Act 1994* (Qld) aims to protect public interest by protecting persons who disclose:

- unlawful, negligent or improper conduct affecting the public sector;
- danger to public health or safety; or
- danger to the environment.

The Professional Standards Council of Queensland did not receive disclosures covered by the *Whistleblowers Protection Act 1994* (Qld) during the reporting period.

Risk Management

The risk management and internal audit practices of the Council and the OPSC are described elsewhere in this Annual Report.

Consultants

Any costs incurred by hiring consultants during the reporting period are detailed in the Consolidated Financial Performance Extract.

Overseas Travel

There was no overseas travel in the reporting period.

Information Systems and Record Keeping

Sound record keeping practices underpin good governance. The Council has a system in place which ensures the accurate storage, capture and retrieval of documents as required by the *Public Records Act 2002* (Qld), Information Standard 40: Record keeping, and Information Standard 31.

Waste Management

The OPSC staff are governed by the NSW DAGJ Environment Policy as the OPSC operates in New South Wales. The policy demonstrates a commitment to reducing the effect of its operations on the natural environment. NSW DAGJ also has in place a Sustainability Policy.

The Council and OPSC have continued to comply with these policies and assist to limit the impact of its operations on the environment. For example, Council papers for regular Council meetings are produced on 50 per cent recycled paper, and in most cases lengthy addenda are provided to Councillors electronically. A number of Councillors are now receiving their papers in electronic format only, thereby reducing the use of paper and print processing. Promotional materials such as the annual report are produced on 55 per cent recycled paper, only the required number of reports are printed and the report is available on the Internet.

From early 2011, NSW DAGJ attempted to further improve energy efficiency in its Justice Precinct Office located in Parramatta. OPSC staff co-operated with the NSW DAGJ 'energy challenge' by switching off all unnecessary office lighting and turning off office equipment such as computers and monitors at close of business each day.

Financial Performance

The audited financial statements of the Professional Standards Council of Queensland are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

THE PROFESSIONAL STANDARDS COUNCIL OF SOUTH AUSTRALIA

Constitution of the Council

The members of the Professional Standards Council of South Australia were: Esther Alter, Robert Beaton, Julie Cameron (nominee of Queensland Minister), Terry Evans, Ronald Farrell, Tom Karp (nominee of the Commonwealth), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 18: Meetings of the Professional Standards Council of South Australia

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Julie Cameron and Tom Karp were nominees of the Queensland Minister and the Commonwealth respectively during the reporting period. Despite any lack of direct appointment to the Professional Standards Council of South Australia, both Councillors were entitled and authorised to attend meetings that took place during the reporting period in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

The *Professional Standards Act 2004* (SA) was amended by the *Professional Standards (Mutual Recognition) Amendment Act 2010* (SA) which came into force on 14 October 2010. As result, sections 4, 8, 9, 11, 13, 14, 15, 16, 17, 34 and 46 were amended and sections 18, 18A, 18B, 46A were inserted to provide the *Professional Standards Act 2004* (SA) the flexibility required to allow mutual recognition of schemes from other jurisdictions.

Fraud

There was no instance of fraud during the period.

Freedom of Information Reporting

The Council is required to publish a statement about the particulars, functions and powers of that agency as well as certain categories of documents held by each agency and the arrangements for public participation in the formulation of policy and operations. The following statement is correct as of 30 June 2011.

Organisation and Functions

The organisation and functions of the Council are described elsewhere in this Annual Report.

Categories of Documents

The Council holds several categories of document as follows:

- documents freely available on request and without charge. These are available on the Council's website at www.psc.gov.au. Specifically these include:
 - ◆ Annual reports
 - ◆ The Scheme application form
 - ◆ Policy papers
 - ◆ Application guidelines
 - ◆ Scheme documents
- documents that are exempt under the *Freedom of Information Act 1991 (SA)*, and all other kinds of documents that may be available under the Act.

Personal information is not held or collected by the Council.

Decisions of the Council to approve *Cover of Excellence*[®] Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required to be completed by associations, along with application guidelines, can be accessed on the website of the Council at www.psc.gov.au.

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the previous 10 years concerning the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, COE and codes of conduct and ethics.

The Professional Standards Council of South Australia has a computerised records management system and databases that record certain details of applications, submissions and correspondence. Arrangements can be made to inspect documents available under the *Freedom of*

Information Act 1991 (SA) by contacting the OPSC between 9.00 am and 5.00 pm from Monday to Friday (public holidays excepted).

The Council did not receive any applications for the access of documents (initial requests) during the reporting year. The Council did not receive any applications for the internal review of its decisions.

Consultants

Any costs incurred by hiring consultants during the reporting period are detailed in the Consolidated Financial Performance Extract.

Public Interest Disclosure

The Council is required to disclose the number of occasions on which public interest information has been disclosed to it or a responsible officer of the Council under the *Whistleblowers Protection Act 1993 (SA)*. There were no such disclosures during the reporting period.

Occupational Health and Safety Disclosure

There were no work related injuries during the reporting period nor illnesses or prosecutions. The OPSC staff are governed by the OHS policies and practices of the NSW DAGJ.

Financial Performance

The audited financial statements of the Professional Standards Council of South Australia are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

THE PROFESSIONAL STANDARDS COUNCIL OF TASMANIA

Constitution of the Council

The members of the Professional Standards Council of Tasmania were: Esther Alter, Robert Beaton, Julie Cameron (from 20 October 2010), Terry Evans, Ronald Farrell, Tom Karp (from 20 October 2010), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 19: Meetings of the Professional Standards Council of Tasmania

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Councillors Julie Cameron and Tom Karp were appointed to the Professional Standards Council of Tasmania in October 2010. Despite the timing of these appointments, both Councillors were entitled and authorised to attend meetings that took place prior to October 2010 in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

No major changes were made to professional standards legislation during 2010–11.

Financial Performance

The Professional Standards Council of Tasmania is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of Tasmania and the proportion of expenses for this Council.

THE PROFESSIONAL STANDARDS COUNCIL OF VICTORIA

Constitution of the Council

The members of the Professional Standards Council of Victoria were: Esther Alter, Robert Beaton, Julie Cameron (from 14 October 2010), Terry Evans, Ronald Farrell, Tom Karp (from 14 October 2010), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe (nominee of Western Australian Minister), Brian Rayment, and Iain Summers.

Manner and Establishment of Council and Relevant Minister

The Professional Standards Council of Victoria is established by the *Professional Standards Act 2003* (Vic) as a body corporate. Throughout the year, the Council reported to the following:

- Attorney General, the Hon Rob Hulls, from July 2010 to December 2010, and thereafter
- Attorney General, the Hon Robert Clark from December 2010 to the end of the reporting period.

Table 20: Meetings of the Professional Standards Council of Victoria

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe*	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Councillors Julie Cameron and Tom Karp were appointed to the Professional Standards Council of Victoria in October 2010. Councillor Hugh Plaistowe was

a nominee of the Western Australian Minister. Despite the timing of these appointments in this jurisdiction, all Councillors were entitled and authorised to attend meetings that took place prior to October 2010 in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

No major changes were made to professional standards legislation during 2010–11.

National Competition Policy

The Professional Standards Council of Victoria, to the extent applicable, complies with the requirements of the National Competition Policy.

Reporting of Office-Based Environmental Impacts

The Financial Reporting Directions issued by the Minister for Finance require all entities defined as a 'Department' under section 3 of the *Financial Management Act 1994* (Vic) to report on office-based environmental impacts. The Council does not fall within this definition. The OPSC is within the NSW DAGJ, which has developed a policy on energy use, waste production and green purchasing. The policy demonstrates a commitment to reducing the effect of its operations on the natural environment. NSW DAGJ also has in place a Sustainability Policy.

The Council and OPSC have continued to comply with these policies and assist to limit the impact of their operations on the environment. For example, Council papers for regular Council meetings are produced on 50 per cent recycled paper and printed double sided, and in most cases lengthy addenda are provided to Councillors electronically only. A number of Councillors are now receiving their papers in electronic format only, thereby reducing the use of paper and print processing. Promotional materials such as the annual report are produced on 55 per cent recycled paper, only the required number of reports is printed and the report is available on the Internet.

From early 2011, NSW DAGJ attempted to further improve energy efficiency in its Justice Precinct Office located in Parramatta. OPSC staff co-operated with the NSW DAGJ ‘energy challenge’ by switching off all unnecessary office lighting and turning off office equipment such as computers and monitors at close of business each day.

Victorian Industry Participation Policy (VIPP)

The Professional Standards Council of Victoria did not enter into or complete any contracts over \$3 million in metropolitan Melbourne or \$1 million in regional Victoria; therefore VIPP reporting is not required.

Freedom of Information Reporting

Victoria’s *Freedom of Information Act 1992 (Vic)* gives members of the public the right to apply for access to information held by Ministers, State Government departments, local councils, public hospitals, most semi-government agencies and statutory authorities. The Professional Standards Council of Victoria received no requests under the *Freedom of Information Act 1982 (Vic)* in the reporting period.

Compliance with the *Building Act 1993 (Vic)*

The Professional Standards Council of Victoria does not lease or own property in Victoria.

Whistleblowers Protection Act 2001 (Vic)

The *Whistleblowers Protection Act 2001 (Vic)* encourages and facilitates disclosures of improper conduct by public officers and public bodies. For the 12 months ending 30 June 2011, the Professional Standards Council of Victoria did not receive any disclosures covered by the *Whistleblowers Protection Act 2001 (Vic)*.

Table 21: Whistleblowers Reporting in Victoria in 2010–11

Whistleblowers Reporting 2010–11	Volume
Disclosures made to the Council during the year	0
Disclosures referred to the Council by the Ombudsman for investigation	0
Disclosures referred by the Council to the Ombudsman for investigation	0
Investigations taken over from the Council by the Ombudsman	0
Disclosed matters that the Council has declined to investigate	0
Matters that were substantiated upon investigation	0
Requests made by whistleblowers to the Ombudsman and to take over an investigation by the Council	0
Disclosures referred by the Council to the Ombudsman for determination as to whether they were public interest disclosures	0

Staffing Profile

The staffing profile of the OPSC that performs secretariat work for the Professional Standards Council of Victoria is located in the Appendix section of this Annual Report, headed ‘Staffing Profile’.

Exposure to Sub-Prime

The Professional Standards Council of Victoria did not have any loans during the reporting period, and was not exposed to the sub-prime.

Financial Performance

The audited financial statements of the Professional Standards Council of Victoria are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

THE PROFESSIONAL STANDARDS COUNCIL OF WESTERN AUSTRALIA

Constitution of the Council

The members of the Professional Standards Council of Western Australia were: Esther Alter, Robert Beaton, Julie Cameron (nominee of Queensland Minister), Terry Evans, Ronald Farrell, Tom Karp (from 28 September 2010), Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers.

Table 22: Meetings of the Professional Standards Council of Western Australia

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	4
Robert Beaton	6	5
Julie Cameron*	5	5
Terry Evans	6	6
Ronald Farrell	6	6
Tom Karp*	5	5
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	6
Hugh Plaistowe	6	6
Brian Rayment	6	5
Iain Summers	6	6

* Councillor Tom Karp was appointed to the Professional Standards Council of Western Australia in September 2010 as the Commonwealth nominee, and Councillor Julie Cameron was a nominee of the Queensland Minister. Despite the timing of appointments in this jurisdiction, both Councillors were entitled and authorised to attend meetings that took place during the reporting period in their capacity as Ministerial nominees of other jurisdictions pursuant to the Professional Standards Agreement 2005.

Major Legislative Changes

The *Professional Standards Act 1997 (WA)* was amended by the *Public Sector Reform Act 2010 (WA)* which came into force

on 1 December 2010. As a result of this amendment, references made to the “Minister for Public Sector Management” in Schedule 1, clause 4 of the *Professional Standards Act 1997 (WA)* have been amended to the “Public Sector Commissioner”.

Advertising

The Professional Standards Council of Western Australia did not incur advertising expenditure under the *Electoral Act 1907 (WA)*.

Public Sector Standards and Code of Ethics

The Professional Standards Council of Western Australia did not have any compliance issues arising from the public sector standards and WA Code of Ethics during the reporting period.

Record Keeping Plans

Sound record keeping practices underpin good governance. The Council has a system in place that ensures the accurate storage, capture and retrieval of documents.

Occupational Health and Safety

There were no work related injuries during the reporting period nor illnesses or prosecutions. The OPSC staff are governed by the Occupational Health and Safety policies and practices of the NSW Department of Attorney General and Justice.

Financial Performance

The reporting of audited financial statements and Key Performance Indicators (KPIs) for the Professional Standards Council of Western Australia is attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council, refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

APPENDIX

Cost of Annual Report

The Professional Standards Councils' Annual Report was produced in-house with an external graphic designer and printer. A downloadable version can be found on the Councils' website at www.psc.gov.au. 300 hard copies were initially produced to meet Parliamentary tabling requirements. 50 copies of the report are expected to be produced on CD ROM. An additional print run may be undertaken once financial audits are completed. The estimated cost of production is \$11,193.00.

Professional Standards Legislation

Australian Capital Territory

- *Civil Law (Wrongs) Act 2002* (ACT). Commenced 9 March 2005; amended 7 May 2008.
- *Civil Law (Wrongs) Regulation 2003*.

New South Wales

- *Professional Standards Act 1994* (NSW). Commenced 1 May 1995.
- *Professional Standards Regulation 2009* (NSW). Commenced 1 September 2009, repealing the *Professional Standards Regulation 2004* (NSW).

Northern Territory

- *Professional Standards Act 2004* (NT). Commenced 1 January 2006.
- *Professional Standards Regulations 2007* (NT). Commenced 1 January 2008.

Queensland

- *Professional Standards Act 2004* (Qld). Commenced 1 July 2005.
- *Professional Standards Regulation 2007* (Qld). Commenced 9 February 2007.

South Australia

- *Professional Standards Act 2004* (SA). Commenced 1 October 2006.
- *Professional Standards Regulations 2006* (SA). Commenced 1 October 2006.

Tasmania

- *Professional Standards Act 2005* (Tas). Commenced 1 August 2005.

Victoria

- *Professional Standards Act 2003* (Vic). Commenced 8 June 2004.
- *Professional Standards Regulations 2007* (Vic). Commenced 7 November 2007.

Western Australia

- *Professional Standards Act 1997* (WA). Commenced 18 April 1998.
- *Professional Standards Regulations 1998* (WA). Commenced 18 April 1998.

Commonwealth

- *Treasury Legislation Amendment (Professional Standards) Act 2004* (Cth). Commenced 13 July 2004.

Publications and Promotion

The Professional Standards Councils produce a variety of publications to facilitate improvements in the professions and to support consumer protection. Publications produced during 2010–11 were:

- Professional Standards Council: Combined Annual Report 2009–10.
- Professional Standards Council of Western Australia Annual Report 2009–10.
- Excellence in Professional Standards: What it means for an occupational association like yours (brochure).
- Star Initiative Grants Program: Expression of Interest 2010 (brochure).

Staffing Profile

OPSC staff are employed by the NSW Department of Attorney General and Justice, which is an equal opportunity employer and encourages flexible working practices, including part-time work. It values social and cultural diversity and is committed to providing a safe and harassment free workplace for all employees. It encourages staff to undertake training that will contribute to the work of the Councils, and actively supports staff by providing study leave for this purpose.

Table 23: Staffing of the Office of the Professional Standards Councils – permanent

Position Grade	No. of positions	No. of males	No. of females
Clerk Grade 3–4	1	0	1
Departmental Professional Officer Grade 3–4	4	2	2
Departmental Professional Officer Grade 3	2	0	2
Clerk Grade 7–8	1	0	1
Clerk Grade 11–12	1	0	1
Legal Officer Grade 5-6	1	0	1

Table 24: Staffing of the Office of the Professional Standards Councils – temporary

Position Grade	No. of positions	No. of males	No. of females
Departmental Professional Officer Grade 2	1	0	1

DIRECTORY AND CONTACT DETAILS

Chairman

Brian Rayment QC

Deputy Chairperson

Esther Alter

Office of the Professional Standards Councils

Philippa Seagrave (Executive Officer)

Mary Abi-Younes (Administrative Officer)

Naomi Degabriele (Policy Officer)

Robert Lawson (Policy Officer)

Nicole Maxwell (Policy Officer)

Mary McCrudden (Policy Officer)

Hau Wong (Policy Officer)

Genevieve Wallace (Senior Legal Officer)

Kylie Morgan (Research Officer)

Sylvia Kozlowski (Assistant Research Officer)

Helen Dickenson (Marketing and Communications Officer)

CONTACT THE PROFESSIONAL STANDARDS COUNCILS

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PARRAMATTA NSW 2124

By Phone: (02) 8688 8060
1300 555 772 Free call Australia-wide

By Facsimile: (02) 8688 9675

By Email: pscinfo@psc.gov.au

In Person: Parramatta Justice Precinct Building
160 Marsden Street, PARRAMATTA NSW

On the Net: www.psc.gov.au

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Photographs by Alastair Bett

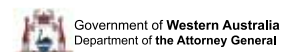
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This information can be provided in alternative formats such as Braille, audiotape, large print or computer disk. Please contact the Diversity Services business centre of the NSW Department of Justice and Attorney General on (02) 8688 7507 (voice), (02) 8688 7733 (TTY – for people who are deaf or have a speech impairment) or diversity_services@agd.nsw.gov.au.





What is the *Cover of Excellence*®?

The *Cover of Excellence*® is a trademark of the Professional Standards Councils. Occupational associations and professional associations with a *Cover of Excellence*® Scheme encourage professionals to adopt practical risk management strategies to achieve quality of service and to create a culture of excellence and responsibility. That culture supports qualified, proficient practitioners to serve the best interests of clients and provide a proper cover of protection. The *Cover of Excellence*® logo is easily recognisable, and may be used by members of occupational associations and professional associations who enjoy the benefit of a *Cover of Excellence*® Scheme. Participants adopting the logo convey to consumers that they are committed to protecting and caring for consumers, improving standards, and reducing risk.